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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JANUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of January, 1994, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Gary Kitahata
Manuel A. Rosales
Leslie T. Schilling
Clarence R. Stern

and the following were absent:

Leroy King
Jon Henry Kouba

The Acting President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: Steven L. Tate; Janice R. Trapp; Marco Calgaro; and Morris Philips, Fillmore Marketplace Associates, L.P.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Ms. Schilling, and unanimously carried that the minutes of the Special Meeting of November 3, 1993 and the Regular Minutes of November 9 and 16, 1993, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Robert Firehock, Deputy General Counsel, introduced item (a), which requests authorization to enter into a Purchase and Sale Agreement (PSA) with the Bank of America for the parcel located at 10th and Market Streets on which it is proposed that the United States General Services Administration (GSA) construct a Federal Office Building in connection with the 10th and Market Redevelopment Survey Area. Mayor Jordan had designated the Agency as the lead City entity for the Federal Office Building project which is structured to have the Agency establish a project area, purchase the land and convey it to GSA. The proposed PSA outlines the Agency's understanding with the Bank in

the initial phase of the transaction. Approval to enter into the PSA will permit the Bank and the Agency to move forward with relocating the tenants and clearing the site, subject to completion of the environmental review process. At the December 21, 1993 meeting the Commission expressed concern that the financing contingency was no longer adequate in light of the failure of the Board of Supervisors to approve a project merger, including the Golden Gateway project area. The contingency was therefore redrafted to provide that the Agency must obtain approval from the Board to spend budgeted monies on the transaction, thus encompassing the concept of the general fund appropriation that may be necessary in the absence of the merger. The length of time during which the contingency must be met was extended from 180 to 270 days to comport with the budget cycle and the Bank has agreed to the revised contingency.

In response to an inquiry from Mr. Kitahata, Robert Gamble, Deputy Executive Director, Finance, noted the financing alternatives that are being considered for the Federal Office Building Project and indicated a workshop on this subject will be calendared for the January 18, 1994 meeting.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-93 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Commending and expressing appreciation to Edward Helfeld upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco.
- (b) Authorizing reimbursement of Executive Director applicant travel expenses in an amount not to exceed \$7,500.
- (c) Granting an additional designated period for two years additional service credit.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 1-94, 2-94 AND 3-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Public Hearing to hear all persons interested in an Agreement for Disposition of Land and Improvements for private rehabilitation for the parcel located on the northerly side of Turk Street between Divisadero and Broderick Streets; Western Addition A-2.

Acting President Ong opened the Public Hearing to hear all persons interested in this matter.

Darby Kremers, Senior Development Specialist, introduced item (d), which requests authorization of an Agreement for Disposition of Land and Improvements for Private Rehabilitation (LDA) with Steven L. Tate and Janice R. Trapp for the purchase and rehabilitation of 1866 Turk Street located on the northerly side of Turk Street between Divisadero and Broderick Streets in the Western Addition A-2. The Developers were selected to purchase and rehabilitate this two story single family home built in 1910 through the Agency's Rehabilitation Offering No. 27 at a purchase price of \$130,000. Given the uncertainty of obtaining financing in the current market and the fact that the Developers intend to occupy the property, it is proposed to modify the LDA to provide that if all LDA requirements are met but financing cannot be obtained, the Developers may request that the LDA be terminated and the performance deposit will be refunded. The performance schedule calls for submission of evidence of financing by October 19 and conveyance of the site by December 14, 1994.

Ms. Kremers introduced Mr. Tate and Ms. Trapp.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY Ms. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-94 BE ADOPTED.

- (e) Robert Gamble, Deputy Executive Director, Finance, introduced item (e), which requests authorization of the issuance of Refunding Mortgage Revenue Bonds for South Beach Marina Apartments in Rincon Point-South Beach. In 1985 the Agency issued \$46.4 million in mortgage revenue bonds to provide tax-exempt financing for this project consisting of 414 units, 20 percent of which are required to be set aside for low and moderate income renters. In 1991 the Developer fell behind in the mortgage payments which backed the bonds and the Agency has provided short-term extensions of the financing on four occasions during the past three years. The Developer has been successful in bringing in equity investors to the project and has now reached agreement with the U.S. Department of Housing and Urban Development (HUD) on all aspects of the refinancing and repayment of the arrearage. In addition, the rents have been restructured to improve cash flow so that debt service and costs can be met. Benefits to be derived by approval of this refinancing are: continued tax revenue from the project; preservation of the Agency's investment in the project and the surrounding area; and the low and moderate income units in the project will be preserved.

Marco Calgaro read a letter into the record giving a chronology of the project. He requested item (e) not be approved and there be a full investigation of the project.

Mr. Gamble responded to questions from the Commissioners regarding the consequences if the bond issuance is not authorized.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-94 BE ADOPTED.

- (f) Philip Williams, Development Specialist, introduced item (f), which requests authorization of the assignment of all right, title and interest in a Land Disposition Agreement (LDA) with Fillmore Marketplace Associates, L.P. and authorization of a Sixth Amendment to that Agreement, which modifies the Schedule of Performance, revises the payment of land price and defers repayment of two predevelopment loans, for the development of Parcel 732-B located at the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The Developer plans to commence construction of 120 affordable rental units for very low and low income persons in February 1994. A Fifth Amendment to the LDA was approved in August 1993 subject to Related Companies of California agreeing to be a co-general partner in the limited partnership and providing a construction completion guarantee. Related Companies of California will be the managing general partner of the new limited partnership, Fillmore Marketplace, L.P., and will provide Bank of America with a construction completion guarantee. At construction loan closing, the Developer has agreed to pay the Agency a total of \$420,084 to cover: a performance deposit of \$91,200; accrued interest on the Agency land note of \$294,403; and first installment payment on the Agency land note of \$34,481. Repayment of the predevelopment loans totalling \$289,314.50 would be deferred until permanent loan closing. The proposed Sixth Amendment revises the performance schedule to provide that start of construction will occur no later than February 28, 1994 with completion by February 28, 1996. In addition, the terms of the payment of land price are modified to reflect the Developer's payment to the Agency at construction loan closing.

Mr. Williams introduced Morris Philips, Fillmore Marketplace Associates.

Mr. Williams responded to questions from Mr. Stern regarding financing for the project.

ADOPTION: IT WAS MOVED BY Mr. STERN, SECONDED BY MS. SCHILLING, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT RESOLUTION NO. 5-94 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) At a Closed Session on December 21, 1993, the Commission appointed Larry Florin as Manager, Office of Base Closure.
- (b) The Commissioners have been provided with the Forward Calendar for January and February 1994.

Minutes of a Regular Meeting, January 11, 1994

- (c) Three developers have submitted proposals for Parcel East Block 2C in Yerba Buena Center and will make presentations at the January 25, 1994 meeting.
- (d) Larry Florin, Manager, Office of Base Closure, indicated that an informational memorandum has been provided to the Commission regarding a resolution pending before the Board of Supervisors regarding the creation of a public benefit corporation to take responsibility for the interim management of the Hunters Point Naval Shipyard. The Mayor's Citizens Advisory Committee on the re-use of the Shipyard adopted a resolution at its meeting in December requesting the creation of a public benefit corporation to manage base conversion activities in the City. Supervisor Shelley has introduced a modified version of that request for consideration by the Board. The resolution requests that the Agency work together with the Mayor's Office, the City Attorney's Office and the Planning Department to present to the Board of Supervisors, within 60 days, a proposal for the creation of a public benefit corporation that would have interim management responsibilities for portions of the Shipyard. The resolution will be before the Board of Supervisors' Select Committee on Base Closures on January 13. If this resolution is approved by the Board and the Mayor, Agency staff would work with the other agencies to define the composition and role of such a corporation to present to the Commission.

Ms. Ong noted her concern at the short notice of this item and Mr. Kono indicated that this matter had come very quickly to staff and, since it will be before the Base Closure Committee of the Board of Supervisors on January 13, it became necessary to apprise the Commission of the situation immediately.

Following discussion, it was the consensus of the Commission that the Base Closure Committee be requested to continue the item until the Commission has had an opportunity to analyze the feasibility of the proposal because it is too premature to make a recommendation.

- (e) Helen Sause, Project Director, Yerba Buena Center, reported on the activities of the Center for the Arts.
- (f) Consideration of the Williams Building by the Housing and Land Use Committee of the Board of Supervisors has been continued from January 6 to January 20. In the interim, staff continues to meet with representatives of the preservation community.
- (g) A retirement event for Gene Suttle, former Senior Deputy Executive Director, has been tentatively scheduled for March 4.
- (h) Mission Housing Development Corporation will hold a grand opening celebration for rehabilitation of 2782-6 24th Street on January 21.
- (i) There will be a Martin Luther King celebration in Yerba Buena Gardens on January 17. The "Freedom Train" is coming up from San

Jose and marchers will arrive in the gardens at noon for a three hour ceremony.

- (j) The Center for the Arts at Yerba Buena Gardens will present "Models in the Minds", which is African prototypes in American Patchwork Quilts, from January 11 to March 12, 1994.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong noted that since the resignation of Sonia Bolanos from the Commission, there is a vacancy on the Center for the Arts Board that needs to be filled by a Commissioner and Helen Sause, Project Director, Yerba Buena Center, indicated that an informational memorandum will be provided on this subject.
- (b) In response to an inquiry from Ms. Ong regarding Federal Emergency Management Agency (FEMA) funding that may be available for alternate projects as a result of a funding commitment from the FEMA for the Williams Building, Ms. Sause indicated that the requirement that buildings be publicly owned is a major constraint, however, Mark Ryser, historic preservation community, has been requested to suggest buildings he feels might be eligible and this information will be provided to the Commission.
- (c) In response to an inquiry from Ms. Schilling, Ms. Sause indicated that the San Francisco Museum of Modern Art has requested an extension from April to July relative to making a decision regarding the Jessie Street Substation. Staff does not recommend the extension be granted.

Acting President Ong announced that there would be six Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

San Francisco Naval Shipyard with the United States Navy; and

Yerba Buena Center sites including Central Block 1 (the Jessie Street Substation) located on the north side of Mission Street between Third and Fourth Streets, East Block 2A located at the southeast corner of Third and Mission Streets and East Block 2C located at the northeast corner of Third and Howard Streets, for the relocation of the Jewish Museum; and

1881 Bush Street and the parcel located at the southeast corner of Bush and Laguna Streets in the Western Addition A-2 with the Bush Street Synagogue Cultural Center; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas and Haynie; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

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block bounded by Market, Mission, 10th and 11th Streets in the 10th and Market Redevelopment Survey Area with Bank of America.

There will also be a Closed Session pursuant to Government Code Section 59456.9(a) concerning pending litigation in regard to Independent Housing Services vs. Fillmore Center, et. al.

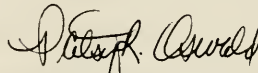
There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with International Federation of Professional and Technical Engineers, Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation, Negotiations with Local 21 and Personnel. The meeting adjourned at 5:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 8, 1994

FEB 17 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JANUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of January, 1994, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Clarence R. Stern

and the following was absent:

Leslie T. Schilling, (Arrived 4:15 p.m.)

The Acting President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: John Cooper, City Attorney's Office; Al Williams, Mayor's Hunters Point Shipyard Citizens Advisory Committee; Samuel Murray, President, New Bayview Committee; Scott Jakamura and Amy Brannon, San Francisco Department of Public Health; Leon Thibeaux; and Aurea Luis Cairns, The People Foundation.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. Stern, and unanimously carried that the minutes of the Regular Meetings of August 3 and November 23, 1993 and the Special Meeting of November 30, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS - CONSENT AGENDA

At staff request item (a) was removed from the Consent Agenda and considered as Regular Agenda item and at the request of Mr. Rosales item (c) was removed from the Consent Agenda and considered as Regular Agenda item.

Ms. Ong noted her conflict of interest with regard to Consent Agenda item (b) because of her affiliation with the State Attorney General's Office who represent Caltrans.

At this time, 4:05 p.m., Ms. Ong turned the Chair over to Mr. King.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (b) Authorizing an extension of the Exclusive Negotiations period of the Agreement to Negotiate Exclusively with the GAP, Inc., for the acquisition and development of Development Site C-1, located in the block bounded by the Right-of-Way of the recently removed Embarcadero Freeway, Steuart, Folsom and Spear Streets; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. STERN, AND CARRIED, WITH MS. ONG ABSTAINING, THAT CONSENT AGENDA ITEM (b) RESOLUTION NUMBER NO. 8-94 BE ADOPTED.

At this time 4:07 p.m., Ms. Ong resumed the Chair.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Kono introduced item (a), which requests authorization of a First Amendment which increases the Scope of Services of the Contract with Ted P. Maniatis, which provides for construction management services to include all sites designated by the Agency, including the Knox Hotel Site in connection with All Project Areas and other sites designated by the Agency. It is requested this item be continued.

RULE OF THE CHAIR: ACTING PRESIDENT ONG INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 7-94, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) William Nakamura, Chief. Engineering and Rehabilitation, introduced item (c), which requests authorization of a First Amendment, which increases the authorized amount of the contract by \$10,000, to Environmental Services Contract No. 1 with Treadwell & Rollo, Inc., for environmental consulting services for Parcel "A" in connection with the Hunters Point Naval Shipyard. This consulting firm reviews and evaluates reports prepared by the Navy's environmental consultants and advises the City's negotiators on the completeness of the reports and the validity of the conclusions and recommendations. There have been numerous significant issues raised during review of the Navy's documents which required further study and reports by the Navy's consultant. This has resulted in an increase in the need for services by Treadwell beyond that originally contemplated. It is believed the additional work can be accomplished within the modified contract amount. The initial contract in an amount of \$19,500 was approved under the Agency's new purchasing policy whereby contracts under \$20,000 may be authorized by the Executive Director. Since the proposed amendment increases the contract amount beyond the \$20,000 limit, Commission approval is required. During negotiations, John Cooper, City Attorney's Office, and William Lee, Department of Public Health, recommended the expeditious hiring of an environmental consultant. Four

consultants were invited to submit proposals and Treadwell was selected on the basis of their known expertise and experience.

Mr. Nakamura introduced John Cooper, City Attorney's Office.

Ms. Schilling arrived at this time 4:15 p.m.

Commissioners Ong, King and Rosales noted their concern that the \$19,500 amount is being exceeded on a contract that did not go out for public bid.

Mr. Kono indicated that a Request for Proposals was issued, however, in the interests of expediting the process, the contract did not go out for public bid.

In response to an inquiry from Mr. Kouba, Mr. Cooper noted the reasons for the additional work and indicated that it is anticipated that all work will be accomplished within the limits of the proposed amendment.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-94 BE ADOPTED.

- (d) Byron Rhett, Project Coordinator, Hunters Point Naval Shipyard, introduced item (d), which requests authorization to forward to the Board of Supervisors, with a recommendation for favorable action, a proposed Memorandum of Understanding (MOU) among the Navy, the City and County of San Francisco and the Agency which provides a non-binding guide for entering into binding documents relating to interim management of the Hunters Point Shipyard and phased transfer to the Agency or the City of title to portions of the Shipyard when hazardous waste has been remediated. Following over two years of negotiations, agreement on an MOU has now been reached. The MOU outlines the terms and conditions under which the Navy will transfer title to the Hunters Point Shipyard to the City and the City will assume management responsibility for the Shipyard. The City would become responsible for management upon conveyance of the first portion of the Shipyard, Parcel A. The City would not accept conveyance of any parcels until the toxic clean-up is completed and certified by the Navy and appropriate State and Federal regulatory agencies. The MOU has been approved by the Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC) and by the Select Committee of the Board of Supervisors for Base Closures. It has been forwarded to the full Board of Supervisors for consideration and, following approval by the Board, the Agency and the Mayor will sign the MOU.

In response to an inquiry from Mr. Kouba, Mr. Rhett indicated a current map of how the parcels have been defined would be provided to the Commissioners.

The following persons spoke regarding item (d): Al Williams, Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC); and Samuel Murray, President, New Bayview Committee.

Mr. Williams noted his concern that the language regarding business and employment opportunities does not specify preference will be given to Bayview/Hunters Point residents and the Navy has refused to provide these assurances. He indicated that the CAC endorses the MOU, but strongly urges the Agency and the City to make sure the City will have an opportunity to use its own rules and regulations once it takes over management of the Shipyard.

Mr. Murray noted his concurrence with Mr. Williams' comments regarding local contracting and resident hiring. He noted his concern that the community has not been kept fully informed.

Mr. Rhett indicated that formal presentations have not been made to the New Bayview Committee, however, efforts have been focused through the CAC who outreach to other organizations.

Mr. Williams noted that the CAC meets on a regular basis at the Southeast Community College in order to make the meetings easily accessible to the Bayview/Hunters Point community.

Following further discussion, Mr. Kitahata suggested the following language be added to resolution: 1. The Agency considers it to be of paramount importance that there be both affirmative action and local hiring to the greatest extent possible in the use of federal funds and other funds spent for the planning, acquisition and management of the Hunters Point Shipyard; and (2) The Agency will work diligently and implement an affirmative action and local hiring plan to govern the expenditure of all funds that will be used for the planning, acquisition and management of the Hunters Point Shipyard.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-94, AS AMENDED, BE ADOPTED.

- (e) Larry Florin, Manager, Office of Base Closure, introduced item (e), which requests consideration of a proposal regarding the creation of a public benefit corporation to assume interim management of the Shipyard, and authorization to forward a recommendation to the Board of Supervisors. On January 24, 1994, the Board of Supervisors will be considering a resolution recommended by the Special Board of Supervisors' Committee on Base Closure. The resolution requests that the Agency, the Mayor and the City Attorney proceed with creating a non-profit corporation that would assume interim management responsibility for the Shipyard upon transfer from the Navy. Staff recommends that the Commission request the Board of Supervisors to amend the resolution whereby the Agency and the Mayor's Hunters Point Shipyard Citizens Advisory Committee report back to the Board in 60 days on the feasibility of creating such a corporation. It is further recommended concern be expressed about proceeding with establishing a public benefit corporation to provide for interim management of the Shipyard, prior to determining the feasibility and advantages of creating such a corporation.

Mr. Florin noted the options for Commission action regarding the establishment of a public benefit corporation for interim management of the Hunters Point Shipyard. He indicated that the Agency would be the entity that signs an agreement with the Public Benefits Corporation, over which the Agency would have oversight.

Commissioners Kitahata and Rosales noted they would prefer to see language in the resolution that the concept of a public benefit corporation be analyzed or considered rather than "endorsed".

Mr. Florin suggested that a letter be sent to the Board of Supervisors requesting the language in the title of the resolution that calls for endorsement of the proposal be amended and the legislation be limited to a study of the feasibility of such a corporation.

Ms. Ong noted that none of the three Commissioners who are members of the Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC) were present at the December 16, 1993 meeting when the decision was made to put the resolution to create a public benefit corporation before the full Board of Supervisors and the Commission had been unaware of this proposal until recently. She indicated she believed that before the Commission endorse the concept of a public benefit corporation that the advantages and disadvantages should be studied over a sixty day period to determine the feasibility because it could be another agency will be set up which is duplicative of the Redevelopment Agency. Such an agency would need to have a full governing board, an executive director and staff and there is no other department that is going to budget it except the Redevelopment Agency. The Agency already has limited funding and it is not appropriate to set up the proposed public benefit corporation unless it is determined that it will be advantageous.

The following persons spoke regarding item (e): Al Williams, Mayor's Hunters Point Shipyard Citizens Advisory Committee; and Samuel Murray, President, New Bayview Committee.

Mr. Williams offered his apologies because it appears the Commissioners are under the impression they have not been kept properly informed and this was definitely not intentional. In fact, the issue had been raised prior to the December 16, 1993 meeting and information went from the Executive Committee to all members of the Committee in mailings. In addition, there were lengthy discussions with Agency staff last year on these issues and it was assumed information was flowing to the Commission. The CAC shares the concerns of the Commission, the Mayor and the Board of Supervisors and concurs that the role a public benefit corporation might play in the Shipyard process should be studied over the next sixty days to determine its feasibility.

Mr. Murray requested a community organization be guaranteed a seat on any entity that is formed in connection with the Shipyard.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT STAFF PREPARE A LETTER, OVER THE SIGNATURE OF THE ACTING COMMISSION PRESIDENT AND ACTING EXECUTIVE DIRECTOR, TO THE BOARD OF SUPERVISORS URGING THAT THE LANGUAGE OF THE RESOLUTION BE AMENDED IN THE TITLE THAT CALLS FOR ENDORSEMENT OF THE PROPOSAL OF A PUBLIC BENEFIT CORPORATION AND LIMIT THE LEGISLATION TO A 60 DAY STUDY OF THE FEASIBILITY OF SUCH A CORPORATION.

- (f) Robert Gamble, Acting Senior Deputy Executive Director, introduced item (f), a workshop, the purpose of which is to consider financing alternatives for the proposed 10th and Market Federal Office Building (GSA) in the 10th and Market Redevelopment Survey Area. The recent rejection of the proposed merger of redevelopment projects by the Board of Supervisors eliminates the preferred financing alternative for the GSA project. The total cost of the project is approximately \$6.7 million, of which \$1 million is already funded. Four basic options for funding the remaining \$5.7 million without access to the Golden Gateway tax increment are: General Fund pay as you go; General Fund financing, such as Certificate of Participation; a merger of existing project areas without Golden Gateway; and a merger of a single project area with the GSA project. The Commissioners have been provided with an analysis of each alternative based upon: cost of funds; impact on Agency resources; political feasibility; and other considerations.

In response to an inquiry from Mr. King, Mr. Gamble indicated that the workshop had been properly noticed as agenda item, however, there had not been a special mailing.

A discussion ensued between the Commissioners regarding the financing alternatives, following which Mr. Gamble indicated it was his understanding that the General Fund installment payment approach is the preferred option, except Mr. Stern would prefer asking the Board of Supervisors for one payment of \$5.7 million.

Mr. Kitahata indicated that the merger options are no longer politically feasible. He indicated he does not want the Agency to encumber its debt capacity in any way and that the Board of Supervisors should be requested to fund the project.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) At its Closed Session meeting of January 11, the Commission approved the appointment of Robert Gamble as Acting Senior Deputy Executive Director.
- (b) Consideration of the Williams Building by the Housing and Land Use Committee of the Board of Supervisors has been continued to February 3, 1994.

- (c) Helen Sause, Project Director, Yerba Buena Center, reported that the Martin Luther King, Jr. celebration in Yerba Buena Gardens held on January 17, 1994 was a very successful event.

In response to an inquiry from Mr. Rosales, Ms. Sause indicated that steps are being taken to eliminate the hazardous conditions by adjusting the water flow of the fountain.

Mr. Kono noted that at the Mayor's staff meeting, the Mayor was very complimentary to all departments involved in the celebration.

- (d) The Commissioners have been provided with a flyer regarding a Business Opportunities luncheon with the San Francisco Redevelopment Agency, which is being sponsored by the Council of Asian American Business Associations. The luncheon will be held at the Marriott Hotel on January 19 from 11:30 a.m. to 1:30 p.m. Several Agency staff will be participating.

REPORT OF THE PRESIDENT

- (a) Acting President Ong indicated that the Commissioners have been provided with the Martin Luther King, Jr. Civic Committee Korean Scholarship Program which is being sponsored by the Governments of Seoul, Korea and the City and County of San Francisco.

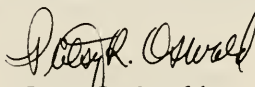
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with International Federal of Professional and Technical Engineers, Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Negotiations with Local 21 and Personnel. The meeting adjourned at 6:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 8, 1994

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JANUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of January, 1994, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Clarence R. Stern

and the following were absent:

Leroy King (Arrived 4:12 p.m.)
Leslie T. Schilling (Arrived 4:10 p.m.)

The Acting President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: James Fang, Director of Trade and Commerce, Mayor's Office, Ted Dientsfrey, Director, Mayor's Office of Housing; Arnold Chin, Chinese Chamber of Commerce; Chris Haw, Mayor's Office of Community Development; Essie Collins, Mayor's Fillmore/Western Addition Economic Development Task Force; Calvin Welch, Council of Community Housing Organizations; Reina Tanguilig, South of Market Problem Solving Council; Samuel Murray, President, New Bayview Committee; Espanola Jackson, District 7 Democratic Club; John Buss, Hampshire Properties, Inc.; Homer Johnstone, Arosa Hotels, Inc.; Agustin Rosas-Maxemin, Armax, Inc.; Jim Keefe, Mercantile Capital Corporation; Caroline Washington, Mariners Village; Michael Simmons, Executive Director, San Francisco Housing Development Corporation; Katherine Nash; Connie Bader and Cliff Berg, Hospice by the Bay; Anna Wong and Darrel Cruz, Chinatown Economic Development Group; and Dedy Rusali, Asian, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; and John King, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. Kouba, and unanimously carried that the Regular Minutes of December 7 and 21, 1993 and the Closed Session Minutes of August 3, 17, 24 and 31, 1993, as distributed by mail to the Commissioners be approved.

NEW BUSINESS

- (a) Mr. Kono introduced item (a), which requests authorization of a Fifth Amendment to the Memorandum of Agreement with International Federation of Professional and Technical Engineers, Local 21 extending the term through the earlier of June 30, 1994 or until a successor agreement is executed.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-94 BE ADOPTED.

- (b) Philip Williams, Development Specialist, introduced item (b), which requests authorization of a \$601,852 Loan Agreement for capital improvements and a \$50,008 Grant Agreement for supportive services with Hospice by the Bay for the development of a 51-bed facility for persons with HIV/AIDS at 151 Leland Avenue as part of the Housing for Persons with AIDS (HOPWA) Program. The Developer is currently rehabilitating an existing building at 151 Leland Avenue into a facility for persons with HIV/AIDS. Delays have been encountered in the development of the project due to community opposition, State licensing requirements and general contractor problems. In the summer of 1994, the developer terminated the general contractor's contract and hired a construction manager to oversee completion of construction. The developer and general contractor are currently in arbitration and the developer is seeking damages in excess of \$200,000. In order to complete construction, the developer is requesting HOPWA funds for both capital improvements and supportive services. The HOPWA Loan Committee recommends approval of the funding subject to: proceeds received by the developer from arbitration be used to repay Agency loans; and that the developer commit to fundraising at least \$200,000 during the first five years of the project operation to repay Agency loans committed to the project. If the Commission approves the funding request, total Agency funds provided for construction of the project will be \$2,155,352 and \$50,008 for supportive services. It is believed the project will qualify for the Adult Residential Facility (ARF) licensing being sought from the State. Representatives of Hospice by the Bay are present to respond to questions.

Commissioners King and Schilling arrived during Mr. Williams' presentation.

Mr. Williams responded to questions from the Commissioners regarding financing for the project and the HOPWA Program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-94 BE ADOPTED.

- (c) James Fang, Director of Trade and Commerce, Mayor's Office, introduced item (c), which requests authorization of a Personal Services Contract in an amount of \$60,000 with the Chinese Chamber of Commerce to co-sponsor and coordinate a Chinese New Year Street Fair as part of the approved \$2 million Chinatown Economic Development Program. One proposal was received in

response to a Request for Proposals (RFP) issued by the Chinatown Economic Development Group (CEDG) from the Chinese Chamber of Commerce to conduct a Chinese New Year Street Fair on February 26 and 27, 1994. The total cost for the Street Fair is estimated at \$117,000, \$60,000 of which will be provided by the CEDG, \$30,000 will be underwritten by corporate sponsors and \$8,500 will be from booth rentals.

- (d) James Fang, Director of Trade and Commerce, Mayor's Office, introduced item (d), which requests authorization of an expenditure of funds in an amount not to exceed \$4,500 to pay for marketing and promotional activities under the Collateral Materials Marketing Program published by the San Francisco Tourist Guide as part of the approved \$2 million Chinatown Economic Development Program. The Chinatown Economic Development Group (CEDG) recommends an appropriation of \$4,500 to pay the San Francisco Tourist Guide to market Chinatown activities in its tourist newspaper for three months. The first advertisement will be published in February 1994 to include activities scheduled for the Chinese New Year. It is anticipated the CEDG's advertisement will encourage other Chinatown businesses to advertise in the Guide to promote Chinatown attractions.
- (e) James Fang, Director of Trade and Commerce, Mayor's Office, introduced item (e), which requests authorization of an expenditure of funds in an amount not to exceed \$3,025 to pay for incorporation costs of a community development corporation related to the implementation of the Chinatown Working Capital Loan Program as part of the approved \$2 million Chinatown Economic Development Program. At the time the Final Plan prepared by the Chinatown Economic Development Group (CEDG) was approved, one programmatic use proposed was the implementation of a Working Capital Loan Program with an initial capitalization of \$500,000. The Commission subsequently authorized a Personal Services Contract with Asian, Inc. to develop a Working Capital Loan Program for the CEDG and to leverage the \$500,000 loan fund. Asian, Inc. proposed the creation of a Community Development Corporation (CDC) to implement the loan program. The CDC will be a for-profit organization comprised of private investors and the CEDG capitalized with the CEDG's \$500,000 working capital loan fund and private capital from participating financial institutions. A Board of Directors will govern and manage the CDC. The CEDG believes that the CDC is the most effective way to leverage the loan fund. The CEDG recommends allocating \$3,205 from the working capital loan program budget to pay for start-up costs associated with creating the CDC.

At Ms. Ong's request, Mr. Fang gave an overview of the program activities and responded to questions from the Commissioners regarding the funding being requested.

Mr. Kitahata noted his preference that the CDC be a non-profit, rather than for-profit organization and requested this be checked out through the California Community Reinvestment Corporation that has an office in San Francisco working out of the California

Bankers Association and Mr. Fang indicated he would explore all possibilities before incorporating a CDC. However, he did not believe a non-profit would comply with HUD regulations because CDBG funds are being used and it has to be structured as a business venture.

Chris Haw, Mayor's Office of Community Development, indicated that HUD tentatively approved the concept for a for-profit venture and is exploring ways for CDC's to make a profit, so they could repay the loan and it, in turn, could be loaned out again.

Arnold Chin, Chinese Chamber of Commerce, responded to questions from Ms. Schilling regarding the parking, traffic control and security arrangements that will be in place for the Chinese New Year festivities.

Essie Collins, Mayor's Fillmore/Western Addition Economic Development Task Force, indicated that she hopes when the Western Addition comes forward with an economic development plan that the Commission will be sensitive to it.

ADOPTION: IT WAS MOVED BY Mr. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 14-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 15-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 16-94, BE ADOPTED.

- (f) Mr. Kono introduced item (f), which requests authorization of a non-binding Memorandum of Understanding (MOU) with the Jewish Museum San Francisco which provides for the Agency to assist in locating a site for developing a new museum facility in Yerba Buena Center. It is recommended this item be continued for two weeks.

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 17-94, BE CONTINUED TO THE MEETING OF FEBRUARY 8, 1994.

- (g) Robert Gamble, Acting Senior Deputy Executive Director, introduced item (g), the purpose of which is for a presentation of the First Draft of the Agency's 1994-95 Budget. This first draft budget is for consideration by the Commission and there will be a wide notification of a public hearing on the budget proposal scheduled for February 8. A final hearing and decisions on the budget will be scheduled for February 22, prior to its submission to the Mayor on March 1st. Major expenditures contained in the draft budget are: in excess of \$18.5 million for housing of which \$7 million is for the Housing Opportunities for People with AIDS (HOPWA) Program, \$4 million for South of Market

housing efforts and \$5 million for City-wide housing; for economic development \$886,000 is allocated for job placement activities and \$946,000 for business development activities; in Yerba Buena Center, \$2.6 is budgeted for the Center for Arts, \$2.4 million for the security operations and maintenance of the Gardens and \$2 million for construction of the plaza on Central Block 1; in Rincon Point-South Beach, \$1.6 is budgeted for land acquisition for a portion of land needed to build a park in South Beach; in the South of Market, \$500,000 is allocated for infrastructure improvements. With regard to military base conversion, significant new efforts are seen for the Hunters Point Shipyard and Treasure Island. The receipt of grant funding from the Department of Defense will support reuse planning efforts for Treasure Island and property management at Hunters Point will be supported by lease revenues from tenants at the Shipyard. The total expenditure plan is approximately \$72 million of which \$47.6 is supported with existing tax increment and other revenue sources. The remaining \$24.4 would be supported with a request for additional tax increment revenue from the City of \$2.432 million, of which approximately 75 percent would be derived from the City's General Fund. The Agency's remaining fiscal capacity is approximately \$80 million and, if the total proposed budget is approved, approximately 30 percent of that remaining capacity would be utilized.

Mr. Kitahata indicated that with regard to devising a financing plan for the Federal Office Building Project, he would like to make an addition to fiscal 1994-95 goals that incorporates the use of General Fund monies for this project.

Ted Dientsfrey, Director, Mayor's Office of Housing, responded to questions from Commissioners Rosales and Kouba regarding the affordable housing aspects of the budget and City-wide affordable housing in general.

Ms. Ong suggested the possibility of using a portion of \$700,000 from the Post International Project to purchase Caltrans parcels for business opportunity development be considered. Mr. Gamble indicated that initially funds had been budgeted for that purpose last year and eventually the funding was taken out because it was not felt Caltrans was prepared to move forward, however, he would check with Caltrans regarding their schedule.

In response to an inquiry from Ms. Ong regarding budgeting funds for the Hunters Point Shipyard, David Madway, Agency General Counsel, indicated that there will be a lengthy CEQA process before there can be development and it would not be appropriate to set aside funds at this time.

The following persons spoke regarding item (g): Calvin Welch, Council of Community Housing Organizations; Reina Tanguilig, South of Market Problem Solving Council; Samuel Murray, President, New Bayview Committee; and Espanola Jackson, District 7 Democratic Club.

Mr. Welch indicated that the Agency has a commitment to fund a portion of City-wide affordable housing with tax increment pursuant to a Board of Supervisors' Ordinance passed in 1989, which seems to be suddenly negotiable, and his concern that \$5 million is budgeted for the administration, operation and maintenance of two cultural facilities in Yerba Buena.

Ms. Tanguilig indicated that the South of Market community has identified a need to rehabilitate buildings on Sixth Street and requested an increase of \$4 million in the budget for that purpose.

Mr. Murray indicated that he would like Agency staff to be more visible in the Bayview/Hunters Point community. He noted that South of Market is funded for staffing and he would like that for Bayview/Hunters Point. He further noted that there is a need to discuss setting funds aside for the Hunters Point Shipyard because it will need base closure dollars.

Ms. Jackson noted her concern regarding affordable housing not being "affordable" to people who live in Bayview/Hunters Point.

Acting President Ong announced that there would be a brief recess. The meeting recessed at 5:40 p.m. and reconvened at 5:50 p.m. with the same roll call.

- (h) Helen Sause, Project Director, Yerba Buena Center, introduced item (h), a workshop, the purpose of which is for a presentation of three responses to a Request for Proposals (RFP) for the development of Parcel EB-2C located at the northeast corner of Third and Howard Streets in Yerba Buena Center. The development teams that submitted proposals are: Armax, Inc., who propose 233 residential units with five parking levels and 30,000 sq. ft. for the Jewish Museum; Arosa Hotels, Inc. who propose an all-suite hotel containing 315-354 suite units and a three-story facility for the Jewish Museum; and Hampshire Properties who propose a hotel of between 320-340 rooms to be leased and operated by Forte Hotels, Inc., and a three-story facility for the Jewish Museum. The appropriate neighborhood organizations have been notified of the scheduled presentation of proposals. In addition to this presentation, the developers will present their proposals to the Yerba Buena Gardens Marketing Alliance and Yerba Buena Consortium. Staff will be analyzing the proposals in details and scheduling interviews with the development teams to discuss their proposals and any concerns or questions that may be raised through the presentation process or the analysis of the proposals. It is anticipated a recommendation to enter into exclusive negotiations with a developer will occur in March 1994.

Ms. Sause noted that there has been an expression of interest by the Natoma Cafe regarding having access through Natoma Street to Third Street and it has been suggested that an appropriate time to address this issue would be when a developer is selected.

Minutes of a Regular Meeting, January 25, 1994

John Buss, President, Hampshire Properties, Inc., made a presentation and introduced members of the development team.

Homer Johnstone, Arosa Hotels, made a presentation and introduced members of the development team.

Agustin Rosas-Maxemin, Armax, Inc. made a verbal and slide presentation and introduced members of the development team.

Jim Keefe, Mercantile Capital Corporation, made a brief presentation on the financing aspects of the Armax proposal.

Mr. Kitahata requested that staff analysis of the proposals contain an analysis of construction time frames, an assesment of in each case of how ready each developer would be to start construction, an assessment of the total economic benefits from all tax sources and an analysis of the proposals with or without the Jewish Museum. He noted that special attention should be given to the second mortgage component for first time home buyers in the Armax proposal, which in this case would significantly reduce the amount of tax increment allocation of the Agency's housing program.

Ms. Ong requested an analysis of a statement by Armax that housing development on any other site in Yerba Buena Center would not be feasible.

REPORT OF THE PRESIDENT

Acting President Ong reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with Statement made by the Acting Commission President at the signing of the Memorandum of Understanding for the Hunters Point Naval Shipyard.
- (b) The Commissioners have been provided with a tape transcript of the January 18, 1994 meeting relative to the establishment of a Public Benefit Corporation for management of the Hunters Point Shipyard.
- (c) The Commissioners have been provided with a copy of a letter sent to the Editor of the San Francisco Examiner addressing misrepresentations that appeared in an article by Gerald Adams on January 24, 1994.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) On January 20, the remaining financing for the Knox Hotel affordable housing development at 241 Sixth Street closed escrow and completion is scheduled for November 30, 1994.

- (b) The Mayor and Admiral Tedeschi of the U.S. Navy signed the Memorandum of Understanding between the Navy and the City for the Hunters Point Naval Shipyard at signing ceremonies on January 21, 1994.
- (c) Larry Florin, Manager, Office of Base Closures, reported that on January 24, the Board of Supervisors considered a resolution endorsing the concept of a public benefit corporation to assist with the conversion of military bases in San Francisco and for the Agency and the Mayor's Office to begin work to determine the steps necessary to create such a corporation. This issue was discussed at the January 18 meeting and the Commission decided an endorsement was premature and felt the legislation should be limited to a study of the feasibility of such a corporation. At the January 24 hearing, Supervisor Kaufman requested that this item be continued to January 31, 1994.

In response to an inquiry from Ms. Ong, Mr. Florin indicated that Supervisor Shelley had reacted unfavorably because he feels if the Commissioners have a concern they should contact him personally.

- (d) The Commissioners have been provided with a memorandum regarding Economic Development Service Providers. It is contemplated this item will be calendared for a subsequent Agency meeting for the service providers to report to the Commission and respond to questions.
- (e) The grand opening ceremony for the Chinese Community Housing Corporation's Tenderloin Family Housing project at 201 Turk Street is scheduled for February 17 at 11:00 a.m. Mayor Jordan, Congresswoman Pelosi and several community leaders will be at the event. The 175 unit project, which is already substantially leased, received Agency predevelopment and construction loans.
- (f) Kent Sims, Deputy Executive Director, Economic Policy, reported on sites the University of California San Francisco (UCSF) is reviewing as possible locations for all or a major part of its second campus.
- (g) Shirley Wysinger, Project Director, Western Addition A-2/Hunters Point/India Basin, gave the history of the Agency's involvement in the Mariners Village development. She noted that Caroline Washington and other members of the Homeowners Association are concerned about a substantial increase in dues and assessments and it is anticipated they will be requesting Commission guidance at a future time.

Ms. Washington noted that the homeowners are working towards repealing a special assessment imposed on them and recalling the current Board of Directors.

Following an extensive discussion between the Commissioners and Ms. Wysinger, it was the consensus of the Commission that staff

continue to act as a consultant in a limited manner that does not compromise the Agency.

Ms. Wysinger indicated that she would prepare a report and keep the Commissioners advised of developments.

- (h) Michele Davis, Development Specialist, reviewed the goals and accomplishments of San Francisco Housing Development Corporation (SFHDC) for the past six months and plans for the future.

Michael Simmons, Executive Director, SFHDC, responded to questions from the Commissioners on specific areas on which funds are expended under SFHDC's Personal Services Contract with the Agency.

Ms. Ong inquired regarding the status of a \$100,000 predevelopment loan set aside for Parcel 1100-T in the Western Addition. Ms. Davis responded that no funds have been expended yet because SFHDC is first waiting to execute an LDA on Parcel DD-2 in Hunters Point.

- (i) On January 21, 1994 Mission Housing Development Corporation (MHDC) hosted an Open House for its property on 24th Street, which was funded in part by the Agency. The entire property, a commercial and residential development, has been rehabilitated through the collaborative efforts of MHDC, Asian Neighborhood Design, private pro-bono architectural and design services, and San Francisco League of Urban Gardners.

In response to a request from Mr. Kouba, Mr. Kono indicated that an informational memorandum written some time ago showing a comparison between the proposed and completed project would be provided to the Commission.

- (j) A Notice of Termination of the Land Disposition Agreement with the Bush Street Synagogue Cultural Center has been issued and the Developer has been advised that the deposit shall be returned only on the order of the Agency Commission after application is made within fourteen days of notice of termination. The National Trust for Historic Preservation has withdrawn its \$150,000 loan commitment for acquisition of the site.

In response to an inquiry from Mr. Kitahata, Judy Eng, Development Specialist, indicated that the cost to move the building to another site is estimated at \$800,000.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Rosales noted that at the December 7, 1993 meeting, information had been requested regarding affirmative action in bond issues and Robert Gamble, Acting Senior Deputy Executive Director, indicated he would report back to the Commission.
- (b) Mr. Rosales noted that at the December 21, 1993 meeting, Mr. King had requested a public hearing to re-evaluate the Agency's

Affirmative Action Program for minorities in light of complaints received and Mr. Kono indicated that there have been discussions and a report will be made to the Commission.

- (c) In response to an inquiry from Mr. Rosales, Jack Robertson, Acting Chief of Housing explained the Agency's involvement with the Glenridge Apartments and gave an update on the status of tenant acquisition of the project.
- (d) Ms. Ong indicated that on the subject of affirmative action she would like the issue of a legal services workshop addressed.
- (e) Ms. Ong noted her concern regarding a recent newspaper article containing allegations about Mr. Rosales and herself. She requested that staff devise a plan so new Commissioners are instructed on matters of conflict and their obligations. There should be a procedure on conduct that everyone understands that is to be followed when there appears to be an impropriety or when there is a need to call upon outside assistance.

Acting President Ong announced that there would be two a Closed Sessions pursuant to Government Code 54956.9(a):

Johnson v. San Francisco Redevelopment Agency, San Francisco Superior Court No. 952622; and

pending litigation in regard to Independent Housing Services v. Fillmore Center, et al.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with International Federation of Professional and Technical Engineers, Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item that arose subsequent to posting of the agenda on Friday, January 21, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five of the seven Commission members is required to add this item.

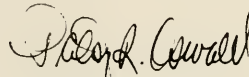
MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON JANUARY 21, 1994.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator regarding real property negotiations for Yerba Buena Center sites, including CB-1 (the Jessie Street Substation) located on the north side of Mission Street between Third and Fourth Streets, EB-2A located at the southeast corner of Third and Mission Streets and EB-2C located at the northeast corner of Third and Howard Streets, for the relocation of the Jewish Museum.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation, negotiations with Local 21 and Personnel. The meeting adjourned at 7:40 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", is written over the typed name.

Patsy R. Oswald
Agency Secretary

APPROVED

March 8, 1994

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DOCUMENTS DEPT.

MAR 21 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF FEBRUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 1st day of February, 1994, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

Manuel A. Rosales

The Acting President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: Paul Friedberg; Douglas Hollis; Daniel Hernandez and Nick Levinson, Mission Housing Development Corporation; Deborah Craig, Kola Thomas and Charles Turner, Center for African American Art and Culture; Richard Brown, Ella Hill Hutch Community Center; John Scott, Young Community Developers; Inno Ekeh, Urban Economic Development Corporation; Karen Carter, Women's Initiative for Self-Employment; Amelita Pascqual and Sharon Birch, South of Market Foundation; Claudia Viek, San Francisco Renaissance; Millard Larkin, Mayor's High Risk Disadvantaged Youth Program; Romulus Asenloo and Dedy Rusali, Asian, Inc.; James Anderson and Ed Pecaz, All State Demolition; Darrel Cruz, Coast Partners Securities; Jeff Grom, Mayor's Office; and Anna Wong, Chinatown Economic Development Task Force.

Representing the press was: John King, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Kouba, seconded by Ms. Schilling, and unanimously carried that the Closed Session minutes of September 7, 21, 28, October 5, 19 and 26, 1993, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) William Carney, Senior Architect, introduced item (a), a workshop, the purpose of which is for a presentation of the Preliminary Construction Documents (PCD's) for the Children's Place on Central Block 3 (CB-3) in Yerba Buena Center. The PCD's are based on the Schematic Design approved in December 1992 and revised Design Development Drawings approved in September 1993. An intensive planning effort by the architects and community and technical advisory groups resulted in a master plan, program and budget for the site. The design and construction of the children's facilities represent the last major step towards bringing the vision of Yerba Buena Gardens to completion. Approval of the PCD's will be calendared for Commission action in the near future.

Paul Friedberg, Landscape Architect, and Douglas Hollis, Artist, made verbal and slide presentations.

- (d) Lucia Mele, Development Specialist, introduced item (d), the purpose of which is for a presentation by Mission Housing Development Corporation on its project at 2782 24th Street.

Daniel Hernandez and Nick Levinson made verbal and slide presentations and responded to questions from the Commissioners regarding the project.

- (b) Shirley Wysinger, Project Coordinator, Western Addition A-2, introduced item (b), which requests authorization of a Grant Agreement in the amount of \$450,000 with the Center for African American Art and Culture (CAAAC) for rehabilitation of 762 Fulton Street in the Western Addition A-2. The Agency's 1992-93 fiscal year budget was amended to include \$450,000 for the repair of the City-owned building occupied by the Center and the Center is ready to proceed with rehabilitation. The Center does not have staff experienced in construction and the proposed Grant Agreement requires the Center to hire a licensed architect, engineer or contractor to oversee the preparation of the plans and specifications and actual construction. The Center is agreeable to this requirement and has retained Charles Turner and the Community Design Center as the Contract Administrator.

Ms. Wysinger introduced Deborah Craig, Koala Thomas and Charles Turner, CAAAC.

Mr. Thomas requested approval of item (b).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-94 BE ADOPTED.

- (c) Isabella Wong, Assistant Development Specialist, introduced item (c), the purpose of which is for presentations by the Agency's service providers and distributed an evaluation summary to the Commissioners.

The following service provider representatives made presentations: Richard Brown, Ella Hill Hutch Community Center; John Scott, Young Community Developers; Inno Ekeh, Urban Economic Development Corporation; Karen Carter, Women's Initiative for Self-Employment; Amelita Pascual and Sharon Birch, South of Market Foundation; Claudia Viek, San Francisco Renaissance; Millard Larkin, Mayor's High Risk Disadvantaged Youth Program; and Romulus Asenloo, Asian, Inc.

Ms. Wong and the service provider representatives responded to questions from the Commissioners.

In response to an inquiry from Ms. Schilling, Kent Sims, Deputy Executive Director, Economic Policy, indicated that an evaluation is underway to determine how to assist the service providers in serving the community as cost effectively as possible.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) On January 28, the Agency won a Summary Judgment Motion against the developer of Museum Parc, Folsom-Adco Associates. The developer did not satisfy its Public Art requirement and argued that a Letter of Credit which it provided to the Agency fulfilled the art obligation, even though the Letter of Credit had expired. In the absence of a successful appeal by the developer, this victory solidifies the Agency's Public Art requirement in all its developments. The Agency was represented by Vincent Ruiz of the law firm of Gutierrez and Associates.
- (b) The Commissioners have been provided with development proposals for Site F-1 located at the southwest corner of Bryant and Delancey Streets in Rincon Point-South Beach. A workshop presentation of these proposals will be held at the February 8, 1994 meeting.
- (c) Larry Florin, Manager, Office of Base Closure, reported that the Board of Supervisors passed a resolution on January 31, 1994 approving a 60-day feasibility study of the proposal to create a Public Benefit Corporation for management of the Hunters Point Shipyard. He noted that the study group will consist of representatives of the Mayor's Office, Mayor's Hunters Point Shipyard Citizens Advisory Committee, City Attorney's Office, City Planning and the Redevelopment Agency.

Mr. Kono requested that the matter of designating Agency representatives to the study group be postponed for one week.

Ms. Ong requested that weekly progress reports be made to keep the Commission apprised of developments.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) James Anderson, All State Demolition, demolition contractor for the Fillmore Marketplace Associates' development at 1400 Eddy Street in the Western Addition A-2, noted his concern that payment has not been made for work completed and requested the Agency mediate in this dispute.

Ms. Ong indicated that staff would investigate and report back.

Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

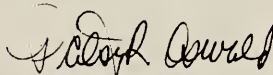
Yerba Buena sites, including CB-1 (the Jessie Street Substation), located on the northside of Mission between Third and Fourth Streets, EB-2A located at the southeast corner of Third and Mission Streets and EB-2C located at the northeast corner of Third and Howard Streets, for relocation of the Jewish Museum; Yerba Buena Center.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

March 8, 1994

194

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF FEBRUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of February, 1994, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The Acting President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: Bob Davis, KTB Realty Partners, Inc.; Lauren Mallas, Mallas & Foote Architects, Jerry Lee, LDA Architects; Robert Isackson, Village Properties; Patrick Tups, Walgreens; Tom Sargent, Jim Tanner and John Clawson, Rincon Point Development Company; Thomas Callinan, Peter Palmisano and Richard Baer, Pacific Union Development Company; Aurea Luis-Carnes, South Bayshore Community Development, Inc.; Samuel Murray, New Bayview Committee; Rene Cazenave, Council of Community Housing Organizations; Robert Speer, PADS & WACP; Wayne Corner, Western Addition Society; Patricia Vaughnhey, PADS & WANA; Raymond Colmenar, South of Market Problem Solving Council; Kevin Williams, Vice President, New Bayview Committee; Al Williams, Vice Chair, Mayor's Hunters Point Shipyard Citizens Advisory Committee; Arnold Townsend; Ted Bartlett, Asian, Inc.; Darrel M. Cruz; Willie Bell McDowell; Mike Mahoney, San Francisco Police Department; Harold Brooks, Jr. Southeast Economic Development Group; Mark Ryser; Mrs. Bland Platt; and Espanola Jackson.

Representing the press was: Gerald Adams, San Francisco Examiner.

Acting President Ong announced that the meeting would be recessed to a Closed Session pursuant to Government Code Section 54957 on Personnel. The meeting recessed at 4:01 p.m. and reconvened at 4:35 p.m. with the same roll call.

Ms. Ong announced that Clifford Graves has accepted the position of Executive Director, subject to approval of the terms of the employment agreement.

APPROVAL OF MINUTES

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meetings of January 11 and 18, 1994, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Barbara Amato, Assistant Project Coordinator, Rincon Point-South Beach, introduced item (a), which requests approval of the waiver of berthing fees for six vacant berths in South Beach Harbor for use by three non-profit community sailing programs: The Bay Area Association of Disabled Sailors; Blue Water Foundation; and Youth with a Mission Program in connection with Rincon Point-South Beach. In November 1993, the Commission established a policy for waiving full berthing fees for up to seven vacant berths in South Beach Harbor. Following evaluation of proposals submitted by three non-profits by a four person staff panel, it is recommended license agreements be entered into and full berthing fees for six vacant berths be waived, subject to compliance with certain conditions outlined in staff memorandum. The policy will be in effect until December 1998, however, in December 1996, it will be reviewed and if at that time the Commission chooses to terminate the policy, the non-profit tenants will be given a two year notice to vacate their berth (s) or pay full berthing fees. It is recommended the policy be reviewed periodically to determine whether there are alternative sources of funding to service harbor bond debt or whether there are possible sources to pay berthing fees for the non-profits so this policy can be continued for its social benefits. This will ensure that the harbor does not violate its obligations to repay its bonds and other loans due on the harbor.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-94 BE ADOPTED.

- (b) Helen Sause, Project Director, Yerba Buena Center, and William Carney, Senior Landscape Architect, introduced item (b), which requests authorization of a \$95,000 Fifteenth Amendment to the Architectural Agreement with MGA Partners for extended Construction Observation, Documentation of Cafe and Maintenance Tenant Improvements and other additional services for the Esplanade in Yerba Buena Center. The scheduled completion of the Esplanade has been extended to March 1994, resulting in the need for extended architectural construction phase services. Following substantial completion of the project, additional time is anticipated for remedial and punch list work. The proposed amendment funds these services and other additional services which may arise during this period, including travel and other reimbursable expenses. The amendment also funds design and documentation of tenant improvements which were essential to the

successful opening and operation of the Gardens but could not be undertaken until the operators of the Esplanade cafes and the manager of the Gardens were selected late in the construction phase. It is essential that the architect of record remain under contract, however, it is proposed to separate architectural services for less immediate Esplanade improvements from the MGA contract and enter into contracts with San Francisco M/WBE firms which had previously served as MGA sub-consultants. Funds are available within the fiscal year 1993-94 Agency budget for design and construction of the Gardens. The Commissioners have been provided with an informational memorandum on MGA's affirmative action efforts.

- (c) William Carney, Senior Landscape Architect, introduced item (c), which requests authorization of a \$30,000 First Amendment to the Architectural Agreement with LDA Architects for design and documentation of a service elevator for the Esplanade in Yerba Buena Center. When the Esplanade was completed in 1990, the intended service access to the maintenance area beneath the west ramp and thence to the cafes was through a street-level garage which was part of the Olympia & York scheme for the CB-2 Entertainment/Retail parcel. The garage is not included in the current developer's plans, making service access through this parcel to the Esplanade both difficult to provide and circuitous to use. Any such access also would not be available during the two-year construction phase of the Entertainment/Retail development. During construction of the Esplanade it became apparent that service access could be provided directly from the existing Marriott truck ramp with the addition of a service elevator. LDA, a San Francisco-based minority-owned architectural firm, is the record architect for the Agency's Children's Center buildings on CB-3. In addition, LDA provided construction documents and observation for the Esplanade as a sub-consultant to MGA Partners and therefore has the familiarity with the project to efficiently complete this improvement. Jerry Lee, LDA Architects, is here to respond to questions.
- (d) William Carney, Senior Landscape Architect, introduced item (d), which requests authorization of a \$15,000 Personal Services Contract with Mallas and Foote Architects for schematic design of an enhanced security and gating system for the Esplanade in Yerba Buena Center. In response to concerns expressed by numerous interested parties, members of the Esplanade architectural design team and the Yerba Buena Gardens Policy Advisory Committee discussed enhanced security measures for the Esplanade, especially when it is closed to the public at night. These discussions included the possibility of adding gates at the Howard Street entrances adjacent to the Moscone Convention Center and increased video surveillance capacity at the more open garden entrances along Mission and Third Streets. The proposed contract with Mallas and Foote, a San Francisco-based woman-owned business enterprise, would refine these ideas to a schematic level for consideration by the public and the Agency. If the scheme is approved, amendments to the contract would provide for

documentation and construction observation of the enhanced security system. Lauren Mallas is here to respond to questions.

Ms. Sause and Mr. Carney responded to questions from the Commissioners regarding MGA Partners' Affirmative action program, justification for the amendments being requested and the costs involved for the proposed additional security measures.

Mr. Kouba noted the importance of the Commission being informed if the \$87.6 million budget for the Verba Buena Gardens is exceeded.

Bob Davis, KTB Realty Partners, Inc. indicated that pursuant to discussions with the surrounding community, increased security measures are needed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-94 BE ADOPTED.

- (e) Judy Eng, Development Specialist, introduced item (e), which requests authorization of an Owner Participation Agreement (OPA) with K and I Associates in connection with the property located at the northwest corner of Post and Franklin Streets in the Western Addition A-2. The developer has entered into a contract to purchase this site and is requesting Agency approval of an OPA for the development of a commercial building for occupancy by the Walgreen Company with whom a 50-year lease has been negotiated. It is proposed to demolish the existing improvements on the site and construct a new free standing building containing approximately 7,900 square feet of retail area and 6,000 square feet of mezzanine space. Agency architectural staff finds the schematic drawings submitted acceptable. The estimated cost of construction is \$800,000 and the performance schedule calls for commencement of construction by September 1, 1995, with completion within twelve months after commencement. In addition to holding meetings with adjacent property owners, the developer hosted a neighborhood meeting to present the development proposal and solicit questions from the community. Staff attended the meeting and noted that no objections were raised.

Shirley Wysinger, Project Coordinator, Western Addition A-2, described the community outreach process.

Ms. Wysinger introduced Robert Isackson, owner of the property, and Patrick Tups, Walgreens.

Mr. Tups responded to questions from the Commissioners regarding the parking facilities and employment opportunities.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-94 BE ADOPTED.

- (f) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (f), a workshop, the purpose of which is for a presentation of development proposals for Parcel F-1 located at the southwest corner of Bryant and Delancey Streets in Rincon Point-South Beach. The Commissioners have been provided with summaries of two proposals to develop the site. Rincon Point Development Company is offering \$500,000 to purchase the site and propose to construct 24 residential loft condominiums, 27 parking spaces and 5,232 square feet of commercial space facing Delancey Street. Pacific Union Development Company is offering \$200,000 to purchase the site and propose to construct 24 market rate residential loft condominiums, 24 parking spaces and 3,048 square feet of commercial space facing Delancey Street. The proposals have been presented to the Rincon Point-South Beach Citizens Advisory Committee (CAC) and staff will meet with the CAC on February 9 regarding any concerns they may have. It is anticipated a recommendation to enter into exclusive negotiations will be before the Commission at the February 22, 1994 meeting.

Tom Sargent, Jim Tanner and John Clawson made presentations on the Rincon Point Development Company's proposal and responded to questions from the Commissioners.

Thomas Callinan, Peter Palmisano and Richard Baer made presentations on the Pacific Union Development Company's proposal and responded to questions from the Commissioners.

Mr. Kaplan responded to questions from the Commissioners regarding project costs and the pro's and con's of concrete versus wood structures.

- (g) Robert Gamble, introduced item (g), a workshop, the purpose of which is for discussion of the Agency's proposed 1994-95 Budget request for staffing. The Agency's budget submittal must contain a listing of requested staff and staff memorandum indicates a number of options the Commission may wish to consider prior to approving the budget for transmittal to the Mayor's Office on March 1, 1994. The total number of positions in the initial draft request is 113 compared to 97 in 1993-94. There have been a number of good suggestions on the budget in general that are being taken into consideration.

The following persons spoke regarding item (g): Aurea Luis-Carnes, South Bayshore Community Development, Inc.; Samuel Murray, President, New Bayview Committee; Rene Cazenave, Council of Community Housing Organizations; Robert Speer, PADS & WAPC; Wayne Corn, Western Addition Society; Patricia Vaughney, PADS & WANA; Raymond Colmenar, South of Market Problem Solving Council; Kevin Williams, Vice President, New Bayview Committee; Al Williams, Vice Chair, Mayor's Hunters Point Shipyard Citizens Advisory Committee; and Arnold Townsend.

Mr. Murray and Mr. Townsend noted their concern that the public had been kept waiting to speak on the budget until after item (f), developer presentations.

REPORT OF THE PRESIDENT

Acting President Ong reported on the Agency's 1993 activities, which include: development of a disciplinary policy to establish a procedure to be followed in the event of alleged misconduct by a Commissioner; the successful opening of Yerba Buena Gardens; the Commission has taken steps to complete Yerba Buena Center by taking action on the Entertainment/Retail site and the Children's Place; outstanding achievements in providing affordable housing, particularly in the South of Market Earthquake Recovery Project Area where 228 replacement housing units are under construction; entering into a Memorandum of Understanding with the U.S. Navy for acquisition and management of the Hunters Point Shipyard; the Agency is the lead agency for Interdepartmental Citywide Economic Development resulting in top City officials meeting monthly in efforts to bring focus and direction to economic development; the designation of the Agency as the lead agency in military base closures/conversions; workshops to establish a policy to address fairness in the contract awards, including legal services; the Agency has saved the City millions of dollars because of its bond refinancing; the search for a new executive director has been successfully completed; the Agency's Strategic Plan is nearing completion; and during budget negotiations with the Mayor's Office, the Commission managed to preserve all jobs in the Agency.

Ms. Ong thanked appropriate staff for their contributions and noted that the saddest news is that Gene Suttle, Senior Deputy Executive Director has retired after twenty-seven years and it is recognized by all that this is a great loss to the Agency and the City. A retirement event to honor Mr. Suttle will be held on March 4, 1994.

Ms. Ong noted that for 1994, challenges include: approval of the budget in a time of financial crisis for the City; governance of the Agency by the Board of Supervisors as proposed in an ordinance by Supervisor Hallinan; and economic development implementation.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) Helen Sause, Project Director, Yerba Buena Center, gave a status report on the Williams Building and noted that discussions with historic groups are continuing.
- (b) Michael Kaplan, Project Coordinator, gave a status report on the Terminal Separator Structure/Mid Embarcadero Preliminary Transportation Study. He noted that it has been completed and submitted to the Board of Supervisors for its acceptance along

with recommended actions to proceed with environmental review of the joint projects.

- (c) Larry Florin, Manager, Base Closure, described the process being followed in connection with a study to determine the feasibility of the creation of a Public Benefit Corporation for management of the Hunters Point Shipyard.
- (d) Deborah Drickersen Cortez, Development Specialist, reported that notice has been received from the U.S. Department of Housing and Urban Development (HUD) of \$11.6 million in HOPWA funding for the San Francisco metropolitan area.
- (e) A report will be made at the February 15, 1994 meeting on the Comprehensive HIV/AIDS Housing Plan.
- (f) On February 15, the Government Efficiency & Labor Committee will consider an ordinance introduced by Supervisor Hallinan to declare the Board of Supervisors to be the Redevelopment Agency.
- (g) There will be a Grand Opening ceremony for the Chinese Community Housing Corporation's Tenderloin family housing project at 201 Turk Street on February 17. Mayor Jordan, Congresswoman Pelosi and several community leaders will be at the event. This 175 unit project, which is already substantially leased, received Agency predevelopment and construction loans.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
AGENCY RELATED MATTERS

- (a) Patricia Vaughey spoke regarding matters relating to the Marina/Presidio, the Western Addition and the Hunters Point Shipyard.

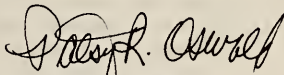
Acting President Ong announced that there would be a Closed Session pursuant to Government Code Section 54956.9(b)(1), threatened litigation from Sumitomo Construction America, Inc.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kouba, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Threatened Litigation and Personnel. The meeting adjourned at 7:35 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

March 8, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF FEBRUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:25 o'clock p.m. on the 15th day of February, 1994, the place and date duly established for the holding of such a meeting.

The By-laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing duties of President.

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT MR. KITAHATA BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Gary Kitahata, Temporary President
Jon Henry Kouba
Manuel A. Rosales
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong, Acting President
Leroy King
Leslie T. Schilling (Arrived 4:45 p.m.)

The Temporary President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: Samuel Murray, Chair, People's Earth Day Coalition; Kevin Williams; Karen Huggins, President, Potrero Hill Resident Management Corporation; Aurea Luis-Carnes, Project Coordinator, People's Earth Day Coalition; Espanola Jackson, District 7 Democratic Club; Naomi Gray, Carl Williams and Essie Collins, Mayor's Fillmore/Western Addition Economic Development Task Force; Mary Helen Rogers; Arnold Townsend; Patricia Vaughney, WAC; Carla Javitts, Corporation for Supportive Housing; David Schwartz, Consultant for the Agency's Strategic Plan; Joanne Lawrence and William Carney, representing International Federation of Professional and Technical Engineers Local 21; Maria Gonzales, representing United Public Employees Local 790; Emilio Cruz, Office of the Chief Administrator; Olsen Lee, Mayor's Office; Al Borvice, Housing Development and Neighborhood Preservation Corporation; Roger Herrera, Department of City Planning; Earl Rynerson, Human Rights Commission; Yvette McCoy; and Bob Nelson, Catholic Charities.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an extension of Exclusive Negotiations with Prima Coffee Roastery, Inc. for the lease of space within the southern portion of the Pier 38 Bulkhead Building for development and operation of a cafe and office; Rincon Point-South Beach.
- (b) Appointing Bob LaLanne to the Citizens Advisory Committee for the Rincon Point-South Beach Project Area.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 24-94 AND 25-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Isabella Wong, Development Specialist, introduced item (c), the purpose of which is for a presentation by the People's Earth Day Coalition. In March 1993, the Bayview/Hunters Point Economic Development Plan was amended to increase the marketing and promotion line item from \$50,000 to \$100,000 and a personal services contract was approved with the Tides Foundation to serve as the fiscal agent for the People's Earth Day Coalition sponsor of the 1993 People's Earth Day Fair held on April 17, 1993. The fair, which was attended by over 15,000 people, also attracted non-Bayview residents and generated approximately \$60,000 in revenues for local/minority and woman-owned businesses.

Samuel Murray, Chair, People's Earth Day Coalition, made a presentation and responded to questions from the Commissioners.

The following persons spoke regarding item (c): Kevin Williams; Karen Huggins, President, Potrero Hill Resident Management Corporation; Aurea Luis-Carnes, Project Coordinator, People's Earth Day Coalition; and Espanola Jackson, District 7 Democratic Club.

The speakers expressed appreciation to the Commissioners and staff for their support.

In response to an inquiry from Mr. Rosales, Ms. Jackson indicated that it is intended to seek funding from corporations and the San Francisco Visitors and Convention Bureau from hotel tax.

Ms. Jackson noted her opposition to a resolution by Supervisor Hallinan which calls for governance of the Agency by the Board of Supervisors.

- (d) Shirley Wysinger, Project Coordinator, Western Addition A-2, introduced item (d), which requests approval of a Letter

Agreement with the Mayor's Fillmore/Western Addition Economic Development Task Force (Task Force) which guarantees completion of economic development activities in the Western Addition A-2. In December 1993, the Task Force considered the Agency's proposal to merge its seven redevelopment project areas into one project and resolved to work with staff toward assuring that certain guarantees will be made to complete the "Unfinished Agenda" of the Western Addition A-2. The proposed Letter Agreement guarantees that no tax increment funds that shall derive from the Western Addition A-2 Redevelopment Project Area shall be used anywhere other than within that project area until further analysis has been completed to determine the unmet needs in the Western Addition and a plan for providing resources to meet those needs has been developed. The Letter Agreement further provides that a consultant position shall be funded through the economic development funds allocated by the Agency for the Western Addition. The consultant would be responsible for completing the plan for the Western Addition in consultation with the Task Force. The Agency's Strategic Plan, which is nearing completion, specifically lists the unmet needs in the Western Addition, particularly those relating to economic development, however, the Task Force has requested that the Agency provide a formal commitment to completing the "Unfinished Agenda" of the Western Addition.

Naomi Gray, Chair, Mayor's Fillmore/Western Addition Economic Development Task Force, made a presentation on behalf of the Task Force and responded to questions from the Commissioners.

The following persons spoke in support of item (d): Mary Helen Rogers; Carl Williams and Essie Collins, Task Force members; Arnold Townsend; and Patricia Vaughey, WAC.

Ms. Rogers inquired regarding a number of items relating to Western Addition tax increment funding and Robert Gamble, Acting Senior Deputy Executive Director, indicated that a written response will be provided within two weeks.

The speakers emphasized the importance of completing the "Unfinished Agenda" in the Western Addition and the need for community participation in determining priorities in terms of unmet needs.

Ms. Vaughey noted the importance of preserving buildings to accommodate social programs.

In response to an inquiry from Mr. Rosales, David Madway, Agency General Counsel, indicated that this is the first time to his knowledge such a commitment has been made, however, it is the first time this situation has arisen.

Mr. Kitahata indicated that it is inappropriate to limit tax increment to one area because there are other areas, such as the South of Market that only generate a small amount of tax increment, needing assistance. However, there is an exception in

this case because of the long history of the Agency's involvement in the Western Addition and its commitment to complete the "Unfinished Agenda".

In response to an inquiry from Mr. Kitahata, Ms. Wysinger indicated that it is proposed to enter into a Personal Services Contract with a consultant who will assist the community in reaching a consensus on what needs to be accomplished. She noted that staff will monitor expenditures and that the Commission will be provided with a comprehensive report on the unmet needs of the Western Addition.

Mr. Gamble indicated that the Redevelopment Plan expires in October 1994 and this paves the way for an extension and the direction it will go in.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-94 BE ADOPTED.

- (e) Deborah Drickersen Cortez, Development Specialist, introduced item (e), a workshop, the purpose of which is to discuss the Draft Comprehensive HIV/AIDS Housing Plan/Housing Opportunities for Persons with AIDS (HOPWA) Program. The San Francisco Department of Public Health, working in conjunction with the Agency, the Corporation for Supportive Housing, the Housing and Service Provider Community, and AIDS Housing Washington, has issued a draft of the Comprehensive HIV/AIDS Housing Plan which attempts to develop a five year comprehensive strategy for the development of permanent supportive housing for persons with HIV/AIDS in the City. The Draft Plan establishes priorities for the population that will be served, setting the highest priority for very low income persons with disabling HIV. The recommended HOPWA allocations are: 70 percent for capital development; 10 percent for rental assistance; 15 percent for supportive services; and 5 percent for capacity building. A community meeting was held on January 26 to receive public comment on the draft and a number of recommendations were made that will result in amendments to the plan. The Corporation for Supportive Housing is currently working to finalize this plan.

Ms. Cortez and Carla Javitts, Corporation for Supportive Housing, responded to questions from Commissioner Kouba regarding the large investment in capital improvements versus the small amount for rental assistance and the possibility of persons with disabilities securing vouchers for Section 8 housing.

Patricia Vaughey noted that Garden Sullivan Hospital is closing and this may be a location to investigate for people with HIV/AIDS who cannot live alone.

In response to an inquiry from Mr. Kono, Ms. Cortez indicated that it is anticipated the final Housing Plan will be before the Commission for endorsement in about a month.

Mr. Kono requested that item (j) now be considered.

- (j) Robert Gamble, Acting Senior Deputy Executive Director, introduced item (j), the purpose of which is for consideration of re-organization and restructuring of the Agency. Staffing and organizational analysis was included as part of the Agency's Strategic Planning process and staff memorandum contains recommendations regarding staffing and organization. The Agency's budget submittal must contain a listing of requested staff and staff memorandum of February 3, 1994 indicates a number of options the Commission may wish to consider prior to approving the budget for transmittal to the Mayor's Office on March 1, 1994. The total number of positions remains at 113, although the listing of positions has been revised to include three changes from the February 8, 1994 draft budget.

David Schwartz, Consultant for the Agency's Strategic Plan, made a presentation on the alternate organizational structures and responded to questions from the Commissioners.

Mr. Kitahata indicated that he had been requested by Acting President Ong to inquire regarding her preference that the Senior Deputy Executive Director position remain and Mr. Schwartz noted his opposition to retaining the Senior Deputy Executive Director position because in the past the lack of chain of command has resulted in many decisions that could be decentralized being made in the Executive Director's Office.

In response to an inquiry from Mr. Stern, Mr. Schwartz indicated that responsibilities in the absence of the Executive Director would be assumed by appropriate staff and not centralized at the Senior Deputy Executive Director position.

The following persons spoke regarding item (j): William Carney, representing International Federation of Professional and Technical Engineers Local 21; and Maria Gonzales, representing United Public Employees Local 790.

Mr. Carney and Ms. Gonzales requested that any action on re-organization and restructuring of the Agency be continued to permit detailed review of the material and that all relevant background material be provided to the Unions. It was further requested that an opportunity be provided to meet with the consultant and senior staff to discuss the recommendations.

Mr. Kono indicated that it is planned to have a series of meeting with the consultant and technical staff during the next two weeks.

Mr. Schwartz indicated his willingness to meet with staff and members of the bargaining units, however, it should be noted that it is envisioned implementation of Working Paper #4 of the Strategic Planning process will evolve over several years.

Mr. Gamble indicated that the Mayor's Office has been advised that there will be subsequent changes to the staffing pattern submitted in the March 1, 1994 budget and no objection was raised.

- (f) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (f), the purpose of which is for a presentation on the Terminal Separator Structure/Mid Embarcadero Preliminary Transportation Study by the Office of the Chief Administrative Officer (CAO) and recommended actions by the Board of Supervisors. In August 1993, the Board of Supervisors acted on matters related to alternative ramp replacement systems for the Terminal Separator Structure (TSS), which resulted in stopping the proposed Caltrans program to rebuild the TSS and initiated a cooperative effort between Caltrans and the City to study alternative ramp replacement systems. The Board's action also recommended linking the TSS with the Mid Embarcadero Roadway Project in order to expedite the environmental review process for both projects. The City entered into a contract for preparation of a transportation study of the TSS ramp alternatives as it relates to the Mid Embarcadero which has been completed and transmitted to the Board of Supervisors with recommended actions to proceed with environmental review of the joint projects. The Housing and Land Use Committee of the Board of Supervisors subsequently recommended a proposed resolution for consideration by the full Board on February 14. The Board approved the resolution which accepts the study report and proposes to pursue environmental review on four alternative ramp systems identified in the report and drops any further consideration of two alternatives which called for a full rebuild of the TSS. The resolution was further amended by the Board to allow additional alternative ramp and street systems to be analyzed as part of the EIR process. Because of the new land development opportunities presented, it may be appropriate for the Agency to initiate a meeting with the Mayor's Office, which would include representatives of City Planning and the CAO's Office, to determine a comprehensive development program for this area. It may also be advantageous to pursue this effort within the context of a redevelopment project survey area designation in anticipation that ultimately the tools of redevelopment would be needed to implement the timely development of the area and coordinate all the potential complex development issues.

Emilio Cruz, Office of the Chief Administrator, gave an overview of the proposed alternatives and responded to questions from the Commissioners.

Mr. Kaplan suggested a letter be sent from the Commission to the Mayor's Office to initiate the process.

Mr. Kono indicated that discussions with the staff of appropriate City departments will precede a written communication.

- (g) Olsen Lee, Mayor's Office, introduced item (g), which requests authorization of a Second Amendment to the Predevelopment Loan Agreement with Housing Development and Neighborhood Preservation Corporation (HDNPC), which increases the amount by an amount not to exceed \$1,862,232 and extends the default date, for the development of 101 Valencia Street as part of the Citywide Tax Increment Housing Program. HDNPC was funded in an amount of \$2

million for acquisition of 101 Valencia Street during the initial round of the Citywide Tax Increment Housing Program. Subsequently the Agency provided a \$75,000 predevelopment loan, which amount was increased by \$398,768 for a total predevelopment loan of \$469,768. Additional funds are being requested to provide predevelopment expenses related to the development of 109 units of first time ownership housing and will be repaid upon construction completion and from the proceeds of residential sales. The project has received all planning approvals and is prepared to apply for building permits. Construction will begin as soon as the project receives Federal environmental clearance. This funding request has been approved by the Citywide Housing Loan Committee.

Mr. Lee responded to questions from the Commissioners regarding funding for the project and the terms of the predevelopment loans.

Al Borvice, HDNPC, gave an overview of the project and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR STERN, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-94 BE ADOPTED.

- (h) Tom Conrad, Chief, Planning and Programming, introduced item (h), which requests authorization of a Letter Agreement in an amount of \$50,000 with the Department of City Planning for planning services in the South of Market. The Agency is responsible for implementing the Redevelopment Plan for the South of Market Earthquake Recovery Project and an amendment to the Plan is underway. Standards for the development of new Single Room Occupancy (SRO) units do not currently exist in any of the City codes and City Planning is developing such standards, however, funds are not available to complete the documents and due to major staff cutbacks, the standards cannot be completed in a timely manner. The Letter Agreement is still being negotiated, however, it will specify that City Planning will provide planning services to the Agency to complete the standards and that a portion of three professional planning positions will be supported with Agency funding in an amount not to exceed \$50,000. Work tasks would be completed by July 1994.

Mr. Conrad introduced Roger Herrera, Department of City Planning.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-94 BE ADOPTED.

- (i) Robert Gamble, Acting Senior Deputy Executive Director, introduced item (i), which requests authorization to submit to the Board of Supervisors appropriate legislation on behalf of the City of San Francisco to apply to the U.S. Department of Housing and Urban Development (HUD) for designation as an Empowerment Zone or Enterprise Community. The Clinton administration's major urban initiative, approved by Congress late last year, provides a package of direct aid, tax incentives and other programs to communities designated as Empowerment Zones or Enterprise

Communities. The higher level of designation as an Empowerment Zone provides substantial direct aid to designated communities, however, the legislation provides for designation of only six Empowerment Zones in the first year. The Mayor's Office has requested the Agency to serve as the lead in an interdepartmental effort to assemble the City's application, which must be completed by the end of June, and a working group has been designated to begin the process. The application process places a strong emphasis on community participation of a strategic plan for the community and the use of consulting services to assist in facilitating the community participation portion of the application may be recommended. Endorsement by the Board of Supervisors is necessary to ensure the credibility of the application and the community participation which will be undertaken pursuant to the application.

Mr. Gamble responded to questions from the Commissioners regarding the community participation process.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-94 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) A grand opening ceremony for the Chinese Community Housing Corporation's Tenderloin Family Housing Project at 201 Turk Street is scheduled for February 17. Mayor Jordan, Congresswoman Pelosi and several community leaders will be at the event. The 175 unit project, which is already substantially leased, received Agency predevelopment and construction loans.
- (b) The Agency's offices will be closed on February 21, 1994 in observance of Presidents' Day.
- (c) Consideration and action of the Agency's budget will be the only agenda item at the February 22, 1994 meeting.

COMMISSIONERS' QUESTIONS AND MATTERS

- (b) Mr. Kouba noted that he is a Democrat not a Republican as reported in the Insiders column of the February 11, 1994 edition of the San Francisco Examiner.
- (c) Mr. Stern noted that a recent documentary on KQED Channel 9 indicated that Yerba Buena Gardens is not being well attended by the public.

Mr. Kono indicated that an expanded version of the documentary will be shown on February 25 which will be video taped by staff.

Minutes of a Regular Meeting, February 15, 1994

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

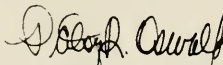
- (a) Patricia Vaughey, Western Addition Society, indicated that there is a need to preserve buildings in the Western Addition to accommodate social programs.

Temporary President Kitahata announced that there would be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Kouba, seconded by Ms. Schilling, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:05 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

March 15, 1994

MAR 21 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF FEBRUARY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of February, 1994, the place and date duly established for the holding of such a meeting.

The By-laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing duties of President

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT MR. KOUBA BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, Temporary President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong, Acting President
Leslie T. Schilling

The Temporary President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: Ace Washington; John Elberling, TODCO; Rene Cazenave; CCHO; Kevin Williams, New Bayview Committee; and Al Williams, Mayor's Hunters Point Shipyard Advisory Committee.

NEW BUSINESS

- (a) Robert Gamble, Acting Senior Deputy Executive Director, introduced item (a), which requests approval of the Agency's proposed budget for the period July 1, 1994 through June 30, 1995 and authorization to submit it to the Mayor and the Board of Supervisors of the City and County of San Francisco.

Mr. Gamble noted revisions to the budget made in response to Commission and community concerns.

Minutes of a Regular Meeting, February 22, 1994

Mr. King noted his concern regarding an additional attorney proposed for the Legal Department and indicated he would vote against this item unless the position is eliminated from the budget.

The following persons spoke regarding item (a): Ace Washington; John Elberling, TODCO; Rene Cazenave; CCHO; Kevin Williams, New Bayview Committee; and Al Williams, Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC).

Messrs. Elberling, Cazenave and Washington noted their opposition to the legislation proposed by Supervisor Hallinan calling for governance of the Agency by the Board of Supervisors.

Messrs. Elberling and Cazenave expressed appreciation for the housing funds budgeted.

Mr. Washington requested funding to assist small businesses in the Western Addition.

Kevin Williams requested that the Commission direct staff to work with the Bayview/Hunters Point community and noted his concern that there has not been a response to a request for meeting tapes. He further indicated that there have been reports of Agency staff lobbying for the Board of Supervisors to be the Redevelopment Agency.

Mr. Kono indicated that staff is endeavoring to comply with Mr. Williams' request for tapes, which had only just come to his attention.

Al Williams indicated that it is anticipated the CAC will need increased funding and will be returning with a recommendation after discussions with staff.

A discussion ensued between the Commissioners and staff regarding the budget.

Temporary President Kouba announced that the meeting would be recessed to a Closed Session pursuant to Government Code Section 54957 on Personnel.

The meeting recessed at 5:00 p.m. and reconvened at 5:30 p.m. with the same roll call, with the exception of Mr. Kitahata.

Mr. Kouba indicated that he would like to point out for the public record that \$2,750,000 will be received as revenues that are outside of tax increment funds or general budget allocations to assist in the Hunters Point Naval Shipyard conversion efforts. Also, within the budget for the current fiscal year there are monies appropriated for trainees in the hazardous waste program for the Shipyard totalling approximately \$250,000.

Mr. Rosales noted his concern at the high rent for the Agency's offices and suggested consideration be given to purchasing a

building. Mr. Gamble indicated that at the time office space was being sought, it was shortly after the October 1989 earthquake and there was a significant shortage of space in the Civic Center area, however, this issue can be revisited before the lease expires in October 1995.

Following further extensive discussion between the Commissioners and staff regarding the budget, the following motions were made:

MOTION: IT WAS MOVED BY MR. STERN THAT THE BUDGET AS PRESENTED BE APPROVED.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, WITH MR. STERN OPPOSING, THAT THE MOTION BE AMENDED TO ELIMINATE THE ATTORNEY I POSITION IN THE BUDGET.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KOUBA, WITH MR. KING AND MR. ROSALES OPPOSING, THAT THE BUDGET AS PRESENTED BE APPROVED WITH THE RESERVATION THAT THE ATTORNEY I POSITION WILL BE GIVEN FURTHER STUDY AND CONSIDERATION.

THE TEMPORARY PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

In response to an inquiry from Mr. Kouba, David Madway, Agency General Counsel, indicated that the earlier motion to approve the budget as presented with the exception of the Attorney I position passed by a vote of 2 to 1.

TEMPORARY PRESIDENT KOUBA THEREUPON DECLARED THAT THE BUDGET, AS AMENDED, DOES NOT INCLUDE THE ATTORNEY I POSITION.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND CARRIED, WITH MR. STERN OPPOSING, THAT RESOLUTION NO. 30-94, AS AMENDED, BE ADOPTED.

A copy of Resolution 30-94 reflecting changes made to the budget by Commission action is attached hereto and made a part of these minutes.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) The Citizens Advisory Committee Conference on the Hunters Point Shipyard was a great success. Commissioners King, Kouba and Stern were in attendance.

The Commissioners noted that staff was well represented and expressed appreciation for their participation.

- (b) Larry Florin, Manager, Office of Base Closure, reported that acquisition by the City of Hunters Point Shipyard Parcel "A" will not occur until approximately one year from now. It had been anticipated the City would take title to the parcel in the summer

Minutes of a Regular Meeting, February 22, 1994

- of 1994 after completion of toxic clean-up, however, the Navy has advised that oil in ground water has been discovered and full environmental remediation is required. The possibility of severing that particular portion from the site is being pursued as well as other options.
- (c) The Cala market at 345 Williams Avenue has re-opened as Foods Co.
 - (d) A retirement event for Gene Suttle, former Senior Executive Deputy Executive Director, will be held at the Miyako Hotel on March 4.
 - (e) On March 1, 1994, the Government Efficiency and Labor Committee of the Board of Supervisors will consider legislation introduced by Supervisor Hallinan to declare the Board of Supervisors to be the Redevelopment Agency.
 - (f) There will be no regular Agency meeting on March 1, 1994.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Rosales inquired regarding a report from the Lawyers' Committee for Civil Rights dated February 17, 1994 urging adoption by the Commission of recommendations by a Working Group to improve the Agency's Minority/Women-owned Enterprise (M/WBE) Policy and Mr. Kono indicated that a presentation by the Working Group on proposed amendments to the Agency's Purchasing Policy will be calendared for March 15 or March 22, 1994.
- (b) Mr. Rosales inquired regarding a public hearing requested by Mr. King at the December 21, 1993 meeting to re-evaluate the Agency's Affirmative Action Program for minorities in light of complaints received and Mr. Kono indicated that a workshop will be held on the union/non-union issue at the March 29, 1994 meeting.
- (c) Mr. Rosales indicated that he had been contacted by King Securities who are having difficulty securing Minority Business Enterprise (MBE) certification and Louis Preston, Assistant Director, Community Services, indicated he would investigate and report back.
- (d) Mr. Rosales noted his concern that Kevin Williams made a serious accusation during his public testimony regarding staff collaborating in efforts against the existence of the Commission and Mr. Kono indicated that he has no knowledge of such conduct by a staff person.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Elberling, TODCO, noted that he will be testifying at the Board of Supervisors' Government Efficiency & Labor Committee hearing on March 2 in opposition to governance of the Agency by the Board of Supervisors because it is unacceptable to the

communities that depend on redevelopment. He inquired if the restriction on soliciting campaign contributions from those doing business with the Agency would apply to Board members and David Madway, Agency General Counsel, indicated affirmatively.

Mr. Elberling noted that in the last election the voters adopted the Ethics Commission for the City and County of San Francisco and inquired if the purview of that Commission would apply to actions by Board members. Mr. Madway indicated that some questions are raised because the Agency is not subject to City Charter and he would check with the City Attorney's Office and report back.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (g) Mr. Kono noted that the Commissioners have been provided with a draft of staff's understanding of governance and the Commissioners indicated their approval of appropriate distribution of the document.

Temporary President Kouba announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Verba Buena sites including CB-1 (the Jessie Street Substation) located on the north side of Mission Street between Third and Fourth Streets; EB-2A located at the southeast corner of Third and Mission Streets; and EB-2C located at the northeast corner of Third and Howard Streets for the relocation of the Jewish Museum.

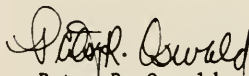
CB-2 Entertainment/Retail parcel located on the block bounded by Third, Mission, Fourth and Howard Streets in Yerba Buena Center with Millennium/WDGV/Partners.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED March 15, 1994

RESOLUTION NO. 30-94
(Adopted February 22, 1994)

APPROVING A PROPOSED BUDGET FOR THE PERIOD
JULY 1, 1994 THROUGH JUNE 30, 1995 AND AUTHORIZING
THE ACTING EXECUTIVE DIRECTOR TO SUBMIT IT TO THE
MAYOR AND THE BOARD OF SUPERVISORS OF THE
CITY AND COUNTY OF SAN FRANCISCO

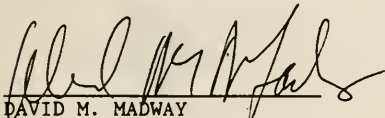
BASIS FOR RESOLUTION

1. In accordance with the Community Redevelopment Law, the Redevelopment Agency of the City and County of San Francisco proposes to establish a Budget for the fiscal year 1994-1995.
2. The Budget is subject to the further approval of the Mayor and the Board of Supervisors of the City and County of San Francisco (the "Board").
3. A Proposed Budget has been prepared for the approval of the Mayor and the Board.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that its Proposed Budget for the period from July 1, 1994 through June 30, 1995 is approved as amended by action of the Commission (see attached), and the Acting Executive Director is authorized to submit the Proposed Budget to the Mayor and to the Board of Supervisors of the City and County of San Francisco.

APPROVED AS TO FORM:

A handwritten signature in dark ink, appearing to read 'David M. Madway', is written over a horizontal line.

DAVID M. MADWAY
Agency General Counsel

**San Francisco Redevelopment Agency
CAPITAL IMPROVEMENTS AND FACILITIES MAINTENANCE PROGRAM**

	Actual FY 1992/93	Approved Budget FY 1993/94	Proposed Budget FY 1994/95	
Authorized F.T.E. Positions	73.0	64.0	67.0	
Performance Measures:				
Begin Children's Park				1
Construct CBI Plaza				1
Complete Fillmore Center Art Program				1
Assume Property Management of Shipyard				1
Complete South Beach Park				1
Complete 6th Street Improvements				1
Program Expenditures:				
Legal	416,897	825,000	625,000	-\$1,850
Studies & Misc. Items	305,392	305,000	648,000	
Acquisition Costs	0	0	3,600,000	
Public Improvements	30,022,750	5,160,000	6,750,000	+\$1,850
Arch/Eng Design & Review	4,998,561	0	50,000	
Construction Monitoring	2,359,387	1,950,000	115,000	
Relocation	0	0	0	
Property Maintenance	3,138,465	6,073,000	7,867,000	
Housing Produc. & Assist.	0	0	0	
Employment Assistance	0	0	0	
Business Dev/Revitalization	0	0	0	
Debt Service	8,041,000	10,591,000	12,640,000	
Work Program Costs	49,282,452	24,904,000	32,295,000	
Personnel Costs	4,064,692	2,536,000	3,493,000	
Administrative Costs	857,250	629,000	795,750	
Total Program Costs	54,204,394	28,069,000	36,583,750	
Project Revenues:				
Property Sales	6,447,000		2,441,000	
Rentals/Leases	5,423,000	5,845,000	9,290,000	
Prior Year Earnings/Savings	11,335,000	8,869,000	3,612,000	
General Fund			2,323,000	
Grants		250,000		
Developer Contributions				
Tax Increment	4,901,000	7,320,000	8,200,000	
Bond Proceeds(1)	13,675,000	5,785,000	10,717,750	
Total Program Revenues	41,781,000	28,069,000	36,583,750	

(1) Represents additional funds required by the SFRA to fully fund its work program & is subject to budget approval.

=====

BUD93/CAPMAY

San Francisco Redevelopment Agency
ECONOMIC DEVELOPMENT.

	Actual FY 1992/93	Approved Budget FY 1993/94	Proposed Budget FY 1994/95
Authorized F.T.E.	3.5	10.0	13.0
Performance Measures:			
Develop City wide economic plan			1
Develop economic plan for redevelopment project			1
Complete target industry analysis			3
Complete project analysis			3
Complete development needs of institutional employers			3
Participate in target industry promotion campaigns			2
Establish and/or expand business loan program			2
Establish environmental job training program			1
Increase NEDO Loan packages			20%
Complete mass mailing to Enterprise Zone businesses			1
Commence work on Treasure Island re-use plan			1
Commence work on Hunters Point Shipyard re-use plan			1
Program Expenditures:			
Legal	0	125,000	0
Studies & Misc. Items	179,768	125,000	0
Acquisition Costs	0	2,233,000	0
Public Improvements	0	0	0
Arch/Eng Design & Review	0	0	0
Construction Monitoring	0	0	0
Relocation	0	0	0
Property Maintenance	0	0	0
Housing Produc. & Assist.	0	0	0
Employment Assist.	919,704	686,000	886,000
Business Dev/Revitalization	794,061	390,000	946,000
Debt Service	975,000	1,539,000	1,191,000
	=====	=====	=====
Work Program Costs	2,868,533	5,108,000	3,023,000
Personnel Costs	484,000	276,000	953,000
Administrative Costs	108,000	88,000	241,000
	=====	=====	=====
Total Program Costs	3,460,533	5,472,000	4,217,000
	=====	=====	=====
Project Revenues:			
Property Sales			
Rentals/Leases	262,000	266,000	275,400
Prior Year Earnings/Savings			
General Fund			
* Grants(2)			1,075,400
Developer Contributions			
Tax Increment	975,000	1,346,000	1,036,000
Bond Proceeds(1)	2,223,533	3,860,000	1,830,200
	=====	=====	=====
Total Program Revenues	3,460,533	5,472,000	4,217,000
	=====	=====	=====

(1) Represents additional funds required by SFRA to fully fund its work program & is subject to budget approval.

* (2) \$625,000 of \$1,075,000 is a work order from the Mayor's Office

SAN FRANCISCO REDEVELOPMENT AGENCY
Employee Positions by Departments
July 1, 1994 - June 30, 1995

FY 1994/95 PROPOSED
BUDGETED POSITIONS

FY 1994/95
Salary

DEVELOPMENT & REAL ESTATE:

CHF DEV/REAL ESTATE	86,559
SR DEV SPECIALIST	78,164
REAL ESTATE SPECIALIST	78,164
DEVELOP SPECIALIST	70,889
DEVELOP SPECIALIST	70,889
ADMIN ASST II	45,918
EXEC SECRETARY II	44,659

COMMUNITY SERVICES:

ASST DIR COMM SERV	84,081
RES & BUS SVCS SUPERVISOR	69,477
SNR. COMMUNITY SERVICE SPEC	49,382
SNR. COMMUNITY SERVICE SPEC	49,382
EXEC SECRETARY II	44,659
LABORER SUPERVISOR	42,320
ADMINISTRATIVE ASST. I	40,508
PRINCIPAL CLERK TYPIST	39,276
LABORER	38,829
LABORER	38,829
LABORER	38,829

AFFIRMATIVE ACTION:

AFFIR ACTION OFFICER	80,083
AFFIR ACT SPECIALIST	69,183
AFFIR ACT SPECIALIST	69,183
ASST AFF ACT SPEC	58,310
SECRETARY II	40,210

PLANNING:

CHF PLANNING & PROGRAMMING	86,559
SNR PLANNER	68,810
ASSIST PLANNER	47,970
SECRETARY II	38,269

ECONOMIC DEVELOPMENT:

DEPUTY EXEC. DIRECTOR	102,629
DIR. OF PROJECT FORMULATION	78,511
SNR DEVELOPMENT SPECIALIST	78,164
DIR. OF LOAN PROGRAMS	72,941
DEV SPECIALIST	70,889
ENTERPRISE ZONE COORDINATOR	64,600
ASST DEV SPECIALIST	59,243
SR ACCOUNTANT	45,465
ENTERPRISE ZONE ANALYST	41,000

* LEGAL:

AGCY GEN COUNSEL	102,629
DEPUTY AGENCY COUNSEL	86,559
DEPUTY AGENCY COUNSEL	86,559
LEGAL SECRETARY III	53,801
LEGAL SECRETARY II	51,322

* ATTORNEY I - DELETED

11/
11/
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF MARCH, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of March, 1994, the place and date duly established for the holding of such a meeting.

The By-laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing duties of President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT MR. KOUBA BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, Temporary President
Leroy King
Manuel A. Rosales
Clarence R. Stern

DOCUMENTS DEPT.

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and the following were absent:

Cynthia Choy Ong, Acting President
Gary Kitahata (Arrived 4:25 p.m.)
Leslie T. Schilling

The Temporary President declared that a quorum was present.

Richard Kono, Acting Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; Charmaine Curtis, Mercy/Charities Housing California; Espanola Jackson, District 7 Democratic Club; Scott Madison and Al Williams, Mayor's Hunters Point Shipyard Citizens Advisory Committee; Samuel Murray, New Bayview Committee; John Clawson and Tom Sargent, Rincon Point Development Company; Tom Callinan, Pacific Union Development Co.; Carl Lippenberger and Morris Phillips, Fillmore Marketplace Associates; and Robert Lattimore, International Business Development League.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Rosales, and unanimously carried that the minutes of the Regular Meetings of January 25,

February 1 and 8, 1994, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Mr. Kono introduced item (a), which commends and expresses appreciation to Gene Earl Suttle, Jr. upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco. Mr. Suttle will be present at the March 15 meeting and it is requested this item be continued for one week.

RULE OF THE CHAIR: TEMPORARY PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a). RESOLUTION NO. 31-94, WOULD BE CONTINUED TO THE MEETING OF MARCH 15, 1994. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Temporary President Kouba indicated that item (b) would be considered when Mr. Kitahata arrives at the meeting.

- (c) Jack Robertson, Acting Chief of Housing, introduced item (c), which requests authorization of Exclusive Negotiations, until September 1, 1994, with Tenants and Owners Development Corporation (TODCO) in connection with the development of 24 affordable housing units located along the front portion of 980 Howard Street in the South of Market. Subsequent to authorization of exclusive negotiations in July 1993 for property bounded by Natoma and Minna Streets and a funding commitment of \$569,488 for the development of a 24-unit independent living facility for physically disabled persons, the developer received a U.S. Department of Housing and Urban Development (HUD) Section 811 funding commitment of \$2,051,700. Although HUD rejected the site because of its location in a high crime area, it gave preliminary approval for an alternate location on the Howard Street parcels, provided that the proposed project has street frontage along Howard Street. Staff reviewed several design alternatives with the South of Market Problem Solving Council, following which it is recommended that the project be developed along the front portion of the Howard Street parcels. During the exclusive negotiations period staff will work closely with TODCO and HUD to ensure that all site control requirements mandated by HUD Section 811 funding are met, refine the project's development and operating budget and develop an acceptable Land Disposition Agreement for Commission consideration in the Fall of 1994. The City's total funding commitment to the project is \$1,349,300, or \$56,221 per unit, which represents the sum of the Agency land write-down and City hotel tax.

Mr. Robertson responded to questions from the Commissioners regarding the exclusive negotiations process and development plans for neighboring sites.

In response to an inquiry from Mr. Kouba, John Elberling, TODCO, indicated that there is no objection on the part of the developer to the change in location.

Mr. Kitahata arrived at this time, 4:25 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-94 BE ADOPTED.

- (d) Jack Robertson, Acting Chief of Housing, introduced item (d), which requests authorization of the issuance of a Request for Qualifications (RFQ) soliciting housing qualifications from non-profit developers for the development of affordable housing at 980 Howard Street in the South of Market. In 1993, the Agency purchased the lots located at 473-491 Natoma Street and 980 Howard Street for the purpose of providing affordable housing development opportunities for non-profit developers. Community workshops indicate a continued need for affordable family housing in the South of Market neighborhood and community groups support family housing on the site. It proposed to issue an RFQ for the northerly 12,000 square feet of the Howard Street property, with the 10,000 square feet fronting on Howard Street to be developed by another non-profit developer. The RFQ seeking qualifications from non-profit developers interested in developing family rental apartments would allow approximately six to eight weeks for developer responses. A developer selection process is proposed that would put the selected developer in a position to apply for low-income housing tax credits during the Fall 1994 allocation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-94 BE ADOPTED.

- (b) Mr. Kitahata introduced item (b), which requests authorization of an Employment Agreement with Clifford W. Graves for his employment as Executive Director and an expenditure of funds related to Temporary Travel, Housing and Related Expenses. A nation-wide search for a new executive director has resulted in the selection of Mr. Graves. The three year term of the proposed Employment Agreement is effective March 9, 1994 through March 8, 1997. The annual salary is set at \$127,790 with future increases based upon those granted comparable department head positions in the City and County of San Francisco. The Employment Agreement is terminable for cause under certain circumstances, without cause upon mutual agreement of both parties, for disability on account of illness or incapacity, and if the Agency should become defunct. The Agreement also provides for a one year housing allowance, reimbursement of costs related to Mr. Graves' relocation from San Diego to San Francisco, reimbursement business expenses not to exceed \$5,000 a year and use of an Agency automobile.

Commissioners Rosales and Kouba commended Mr. Kitahata for his efforts in connection with the executive director search.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-94 BE ADOPTED.

Mr. Kitahata left the meeting at this time, 4:30 p.m.

- (e) Mr. Robertson, Acting Chief of Housing, introduced item (e), which requests authorization of a Loan Guarantee in an amount not to exceed \$425,000 in connection with Minna Street Associates' development of affordable housing at 126 Sixth Street in the South of Market. Pursuant to a Land Disposition Agreement authorized in December 1992, the project consisting of 24 affordable family housing units commenced construction in the Fall of 1993 and is expected to be ready for tenant occupancy in October 1994. In April 1993, the City-wide Housing Loan Committee approved a request for the Agency to provide up to a 25 percent guarantee of a short-term bridge loan, which would not exceed \$425,000 and would decrease annually as the principal is repaid. Funds from the South of Market housing budget would be utilized to make the Loan Guarantee. The structure of the tax credit financing necessitates that the developer obtain a bridge loan for up to seven years for an amount of approximately \$1.7 million. The Low Income Housing Fund, a California non-profit corporation, is providing this loan which will be sold to the Local Initiatives Managed Assets Corporation (LIMAC) who require that up to 25 percent of the loan principal, or \$425,000, be guaranteed by a third party. The developer has requested that the Agency provide the guarantee. The developer also has a solid tax credit investor in Fannie Mae, so funds to repay the loan are identified and the likelihood of having LIMAC draw down any portion of the Agency's guarantee is believed to be a reasonable risk for the Agency to take in order to complete the financing for the project. Negotiations are now in process between the Agency and LIMAC to reduce the loan guarantee to \$340,000.

Mr. Robertson responded to questions from the Commissioners regarding the financial structure of the transaction and the Agency's exposure.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-94 BE ADOPTED.

Mr. Kitahata returned to the meeting at this time, 4:40 p.m.

- (f) Olsen Lee, Mayor's Office of Housing, introduced item (f), which requests authorization of a Predevelopment Loan Agreement with Mercy/Charities Housing California for an amount not to exceed \$93,000 for preconstruction costs associated with the acquisition and rehabilitation of 50 units of affordable rental housing at 205 Jones Street as part of the City-wide Tax Increment Housing Program. The developer proposes to acquire and rehabilitate the property and operate it as permanently affordable housing for single persons and small families. The loan proceeds would be used for various predevelopment costs, including a purchase deposit, appraisal, environmental reports, architecture and engineering permits and fees. The loan will be repaid from permanent financing proceeds, which include a commitment from the Mayor's Office of Housing for \$1,606,425 in HOME funds. The loan has been approved by the City-wide Housing Loan Committee.

In response to an inquiry from Mr. Kouba, Charmaine Curtis, Mercy/Charities Housing California, indicated that construction is expected to start in the summer of 1994 with completion by the end of the year.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-94 BE ADOPTED.

- (g) Robert Gamble, Acting Senior Deputy Executive Director, introduced item (g), which requests adoption on first reading a Redevelopment Ordinance levying an Agency transient occupancy tax in redevelopment project areas, the revenues from which will be used to pay the bonds for the Central Block 3 (CB-3) Children's Facilities, Moscone Improvements and proposed Mexican Museum in Yerba Buena Center. On August 11, 1993, the Board of Supervisors adopted Resolution No. 645-93 expressing the intent of the City to permit the use of hotel tax revenues in redevelopment project areas pursuant to the levy of an Agency Hotel Tax for repayment of bonds to finance the CB-3 program, Moscone Improvements and the Mexican Museum. Staff has been working with the Office of the Chief Administrator, the selected underwriting team, financial advisors and counsel, including the City Attorney, to accomplish this very complex financing. This first official action for the CB-3 financing is being taken now to fit into the time limits of the California Revenue and Taxation Code and the planned financing. The Agency tax is being adopted first because it requires a waiting period of at least 180 days and adopting it now will permit the tax, if approved by the City, to be levied no sooner than October 1, 1994, which fits in with the proposed plan of finance. This mechanism of levying a hotel tax will not increase any tax payment, but will merely allow the Agency to capture an existing stream of hotel tax revenue to pledge for the bonds to build the proposed program.

Robert Firehock, Deputy General Counsel, described the Ordinance structure.

Mr. Gamble and Mr. Firehock responded to questions from the Commissioners regarding this new mechanism for capturing tax revenue.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ORDINANCE 1-94 BE PASSED FOR A SECOND READING.

- (h) Mr. Kono introduced item (h), which requests authorization of an Amendment to the construction contract for the Visual Arts Center and Yerba Buena Theater with Sumitomo Construction in the amount of \$2,850,000, thereby increasing the contract amount to \$29,955,362 to settle all claims for extended overhead and all other construction related claims and change orders in connection with Yerba Buena Center. It is requested this item be continued.

RULE OF THE CHAIR: TEMPORARY PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 37-94, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Mr. Kitahata indicated that when this item is brought back to the Commission he would like the issue addressed on the effect of this increase in the context of the overall budget.

- (i) Byron Rhett, Project Coordinator, Hunters Point Shipyard, introduced item (i), which requests consideration of a Liaison Consultant to provide staff services to the Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC). Mayor Jordan has designated the Agency as the City's lead agency in planning re-use of the Shipyard and staff has contracted with the Department of City Planning to undertake this effort. In 1991, former Mayor Agnos appointed a CAC to develop a blue print for the City's use of the Shipyard. Mayor Jordan continues to charge the CAC with the responsibility of providing public input into the re-use planning for the Shipyard and to assure the desires and interests of the Bayview/Hunters Point residents, current tenants and the City as a whole are addressed in interim and long range plans. To assist the CAC in soliciting community input for all aspects of the re-use planning and development, including toxic clean-up, it is proposed to issue a Request for Proposals for a consultant to assist the CAC in its outreach efforts. The Commissioners have been provided with an informational memorandum related to the selection process for a consultant and a list of individuals and firms from whom it is proposed to solicit proposals. During the 1993-94 budgeting process, the Commission approved a three year budget for the CAC, which included staff support to the CAC. The proposed contract would be for a one year period from May 1994 through April 1995 and will require monthly reports.

Mr. Kitahata noted his preference for utilizing the services of an Agency staff person and Mr. Rhett indicated that hiring a consultant to interact with the community will give staff more time to deal with the land use plan for the Shipyard.

An extensive discussion ensued between the Commissioners regarding reporting responsibilities of the consultant and monitoring of the contract.

The following persons spoke in support of hiring a consultant: Espanola Jackson, District 7 Democratic Club; Scott Madison and Al Williams, CAC Vice Chairs; and Samuel Murray, New Bayview Committee.

Mr. Madison indicated that the consultant should be working for the Agency through the CAC and he did not want this to be an Agency position.

Mr. Rhett responded that the Agency has been designated by the Mayor's Office as the lead agency for the Shipyard and needs to be responsible for administering the contract.

Mr. King indicated that, although the contract will be administered by the Agency, there needs to be community oversight, similar to Chinatown and the Mission.

Mr. Kitahata indicated that he believed the work should be funded but that there are resources on staff for this job and he was concerned that a consultant would be serving two masters and the safeguards for monitoring the contract were not there.

Following further discussion, the following motion was made:

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR A CONSULTANT CONTRACT BE APPROVED.

Mr. Kono indicated that staff is now ready to present item (h).

- (h) Helen Sause, Project Director, Yerba Buena Center, introduced item (h), which requests authorization to amend the Construction Contract for the Visual Arts Center (VAC) and the Yerba Buena Theater (YBT) with Sumitomo Construction in an amount of \$2.850 million, thereby increasing the contract amount to \$29,955,362 to settle all claims for extended overhead and all other construction related claims and change orders in connection with Yerba Buena Center. The construction of the VAC and YBT were originally scheduled for completion in May 1993. Site complexities related to building over the Moscone Convention Center expansion, interruptions of construction in deference to convention activities, delayed access to the construction site, rain delays from an exceptionally wet winter and unique constructibility issues because of the unusual building types and Sumitomo's inability to maintain continuity on their construction team from the beginning led to substantial construction completion occurring on October 11, 1993. The extended schedule, in addition to construction related claims and changes, has resulted in claims of approximately \$8.1 million by the general contractor and sub-contractors. Funds for the proposed final settlement are available in the budget line item for Yerba Buena Center legal claims and construction line items in the Agency's 1993-94 budget.

In response to Mr. Kitahata's earlier inquiry, Ms. Sause indicated that the overall expenditures for Yerba Buena Gardens appear to be within the \$87.6 million project budget, however, this can only be finally determined following completion of all aspects of the project for the Moscone construction.

At this time, 6:00 p.m., Mr. Kouba left the meeting and turned the Chair over to Mr. King.

Commissioners Mr. Kitahata and Rosales commended staff and consultants for their efforts in reaching this satisfactory claims settlement agreement.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-94 BE ADOPTED.

At this time, 6:05 p.m., Mr. Kouba returned to the meeting and resumed the Chair.

- (j) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (j), which requests authorization of Exclusive Negotiations with Rincon Point Development Company (RPDC) for Site F-1 located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach. The two developers that responded to a Request for Proposals have the expertise and financial resources to undertake this development and appropriately addressed the design and development criteria set forth by the Agency. The most significant difference between the proposals is the price offered for the site with RPDC bidding \$500,000 and Pacific Union Development Company bidding \$200,000. Each team arrived at its bid for the site by a land residual analysis based on particular assumptions regarding development costs and sales prices. As presented at the February 8 workshop, in order to achieve the proposed development density within the recommended building height, both proposals would require a lot coverage variance, which will be calendared for Commission consideration at a future time. Based upon an evaluation of all aspects of both proposals, including the wood-frame versus concrete issue, staff recommends entering into exclusive negotiations with RPDC on basis of their bid for the land, proposed building design and affirmative action efforts to date. The Rincon Point-South Beach Citizens Advisory Committee found both proposals acceptable and therefore did not make a specific recommendation. John Clawson and Tom Sargent, RPDC, and Tom Callinan from Pacific Union Development Co. are present to respond to questions.

Mr. Kaplan noted that the resolution has been revised to include a requirement that written communications be received by April 20, 1994 from the Bureau of Building Inspection (BBI) and the Office of the Fire Marshall providing reasonable assurance that the currently proposed design of the building will meet applicable City codes.

Mr. Kaplan responded to questions from Mr. Rosales regarding the affirmative action program process for developers when exclusive negotiations are entered into.

Mr. Callinan requested item (j) be postponed pending receipt of written communications from the BBI and Fire Marshall's Office.

In response to an inquiry from Mr. Kouba, Mr. Kaplan indicated that, although it appears from discussions that the requisite

approvals will be received, Agency approval of the project will assist the developer in obtaining those approvals.

Mr. Kouba noted his support of staff recommendation because of the design which blends in well with the concept of the Rincon Point-South Beach area.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-94 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Philip Williams, Development Specialist, introduced item (a), which requests approval of the acquisition by Housing Associates, Inc. of all stock held by H.J. Russell & Company in FMP Developers Inc., a General Partner of Fillmore Marketplace L.P., the developer of Parcel 732-B located at the northwest corner of Webster and Eddy Streets in the Western Addition A-2. FMP Developers is a general partner of Fillmore Marketplace, L.P. (the Partnership) a California corporation whose stock is owned by Housing Associates, Inc. and H.J. Russell & Company. The Partnership plans to construct a project consisting of 120 units of affordable family rental housing. By the end of this week, the Partnership will close on the construction financing and admit the investor limited partners which will be purchasing low income housing tax credits allocated to the project. To facilitate the construction loan closing, Housing Associates and H.J. Russell Company determined that it was in their best interests if Housing Associates, Inc. became the sole shareholder of FMP Developers, Inc. and assumed all responsibility for its role in the Partnership. Therefore, H.J. Russell & Company has agreed to sell all of the stock interest in FMP Developers, Inc. to Housing Associates, Inc. Housing Associates plans to pay H.J. Russell \$616,749 for the stock with an interest bearing note, payable over time, with the balance due on or before March 31, 1996. Following review of the Partnership's request, staff recommends approval subject to: Housing Associates agreeing that money distributed to H.J. Russell & Company be in accordance with Article 6, Anti-Speculation and Assignment Provisions, of the Land Disposition Agreement; and that the Partnership submit a revised Developer's Statement prior to construction loan closing.

This is not an agenda item and, in accordance with the Brown Act Regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on March 4, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 4, 1994.

The following persons spoke regarding item (a): Carl Lippenberger; and Morris Phillips, Fillmore Market Place Associates.

Jennifer Bell, Deputy General Counsel, responded to questions from Mr. Kitahata regarding the Agency's exposure and indicated that there are no changes to the timing of the partnership's repayment of its loans from the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-94 BE ADOPTED.

REPORT OF THE PRESIDENT

Temporary President Kouba reported as follows:

- (a) Appreciation is expressed to Mr. Kono who has served as Acting Executive Director of the Agency from January 1 through March 8, 1994.

Mr. Stern suggested preparation of a resolution commending Mr. Kono.

- (b) Mr. Kouba indicated that he had attended a meeting with Hadley Roff, representing Senator Feinstein, and Betty Smith-Brassington of the Landmarks Preservation Board, who has been asked by Mayor Jordan to serve as co-chair of a citizens committee to save the Old Mint Museum. Agency staff were also present because it is believed Redevelopment can be of assistance in this matter.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) Larry Florin, Manager of Base Closure, gave a status report on the process of examining the feasibility of a non-profit Public Benefit Corporation for the Hunters Point Shipyard. He noted that the Committee has been expanded and now includes representatives of SPUR and the Chamber of Commerce as well as other individuals brought in by the CAC. A full report on various options will be made to the Board of Supervisors on April 11, 1994.

In response to an inquiry from Mr. Kitahata, Mr. Florin indicated that the legislation will encompass the Shipyard and Treasure Island and it would be appropriate for the Commission to take a position if it is wished to separate them.

- (b) Larry Florin, Manager, Office of Base Closure, gave a status report on impact of the Tidelands Trust on the Hunters Point Shipyard and noted that it appeared Treasure Island would not be subject to this Trust.

David Madway, Agency General Counsel, noted the legal implications associated with the Tidelands Trust for the Shipyard and Treasure Island and indicated care needs to be taken when planning land use.

Mr. King left the meeting at this time, 7:10 p.m.

In response to an inquiry from Mr. Rosales, Mr. Florin indicated that the Clinton administration will be selecting nine new Job Corps sites and the City has submitted an application to the Department of Labor listing Treasure Island as a potential site.

- (c) Clifford Graves will be sworn-in by the Mayor as Executive Director of the Redevelopment Agency on March 9, 1994.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Rosales, Helen Sause, Project Director, Yerba Buena Center, indicated that merchants that raised concerns regarding the possible closure of Natoma Street to pedestrians have been advised there will be an opportunity to discuss this issue with the developer of East Block 2C (EB-2C) in Yerba Buena Center.

Redmond Kernan indicated that the merchants have been advised that efforts will be made to work this out if Hampshire Properties is selected to develop EB-2C.

- (b) In response to an inquiry from Mr. Rosales, David Madway, Agency General Counsel, indicated that affirmative action reports will be provided with respect to compliance with the Agency's Purchasing Policy by contractors for the Center for the Arts at Yerba Buena Gardens.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Robert Lattimore, International Business Development League, requested staff assistance in identifying space to lease in the southeastern section of the City for "light manufacturing" which will provide employment opportunities for Hunters Point residents.

Temporary President Kouba announced that there would be Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 21.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, March 4, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

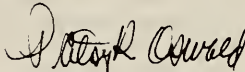
MOTION: IT WAS MOVED BY MR.KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING ON THE AGENDA ON MARCH 4, 1994.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by Mission, Fourth and Howard Streets in Yerba Buena Center and the entity the Agency may negotiate with is Millennium Partners/WDG Ventures, Inc.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Rosales, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Negotiations with Local 21 and Personnel. The meeting adjourned at 7:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 5, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF MARCH, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of March, 1994, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Cynthia Choy Ong, Acting President
Leroy King
Gary Kitahata
Jon Henry Kouba
Manuel A. Rosales
Leslie T. Schilling
Clarence R. Stern

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and the following was absent:

None

The Acting President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Gene E. Suttle; Sonia S. Bolanos; Ben L. Hom; Samuel Murray, President, People's Earth Day Coalition; Denny Larson, Citizens for a Better Environment; Bradley Angel, Greenpeace; Espanola Jackson, District 7 Democratic Club; George Williams; Lynn Daniels; David Umble, Bayview/Hunters Point Enterprise Center; Willie Bell McDowell; Alex Pitcher; Steve Cohn, Bayview Opera House; Gregory McDowell; Yvonne Ellis; Weldon Darsy; Saul Bloom, ARC/Arms; Don Eichelberger; Aurea Luis-Carnes; Robbie Leeds, Sound Action; Brian Webster, Business for Social Responsibility; Carolyn Bailey; Kevin Williams, New Bayview Committee; and Dwight Kinnard, P & K Trucking; Yvette McCoy and James Richards, Mayor's Bayview/Hunters Point Economic Planning and Development Task Force; Dann Johnson, representing the San Francisco Giants; Ronnie Morris; James Smith; Jacqueline Clemens, Museum Parc/South of Market Neighborhood Association; Mary Rogers; Brenda Berlin, Consultant for the Children's Place; Shelley Bradford Bell, SBB Communications; Ace Washington, WAPAC; Paul M. Friedberg; and Pam David, Mayor's Office.

Representing the press was: Gerald Adams, San Francisco Examiner.

Ms. Ong introduced Sonia S. Bolanos and Ben L. Hom, former Redevelopment Agency Commissioners.

ELECTION OF OFFICERS

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, THAT MS. ONG BE ELECTED PRESIDENT.

Ms. Ong noted her regret that she could not accept the nomination for personal reasons and thanked the Commissioners for their support during her term as Acting President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT MR. KOUBA BE ELECTED PRESIDENT.

President Kouba thanked the Commissioners for electing him President and indicated he would do his best to earn their trust and confidence in the future. He expressed appreciation to Ms. Ong for her services as Acting President during which time she led the Commission through some very difficult times, including a severe budget crisis. He noted that she had presided at one of the Agency's greatest moments, the opening and dedication of Yerba Buena Gardens and her assistance had been invaluable during the search for a new executive director, with whom the Commissioners are very happy. He noted that this is a new beginning for the Agency, a seminal point starting off with a new executive director, new officers and a new mission from the Mayor on economic development. There are some wonderful prospects on the horizon, Hunters Point Shipyard, Treasure Island, HOPWA program and perhaps the Terminal Separator. The Agency has rededicated itself about just how the old projects are going to be finished. He indicated that in all his experience with government at whatever level he had never dealt with governmental officials who are as professional and competent as the staff of the Redevelopment Agency and he looks forward to working with staff. The Agency will find a way to work more effectively with the Board of Supervisors and with the Mayor. Lastly, but not least at all, but most important, the Agency is going to rededicate itself to working with the communities it serves, because redevelopment can only be as effective as the community support that it can engender. That lesson was learned the hard way years ago and he believes the Agency is well received in the communities and will continue to be so by working with community support.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, WITH COMMISSIONERS KITAHATA, ONG, ROSALES AND SCHILLING OPPOSING, THAT MR. STERN BE ELECTED VICE PRESIDENT.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND CARRIED, WITH COMMISSIONERS KING, KOUBA AND STERN OPPOSING, THAT MR. ROSALES BE ELECTED VICE PRESIDENT.

MOTION: IT WAS MOVED BY MR. STERN THAT THE PRESIDENT BE AUTHORIZED TO APPOINT A COMMITTEE COMPOSED OF THE PRESIDENT AND TWO OTHER COMMISSIONERS TO REVIEW WRITTEN CORRESPONDENCE TO THE COMMISSION FROM THE BOARD OF SUPERVISORS AND THE MAYOR'S OFFICE AND REPORT TO THE COMMISSION IN ORDER FOR A RESPONSE TO BE PREPARED.

Mr. Stern noted that the purpose of his proposed motion is to avoid miscommunication.

Mr. Kitahata indicated he did not believe this procedure to be necessary unless there is a change to bi-weekly meetings since correspondence of that nature would be included in the weekly mailing to the Commission.

PRESIDENT KOUBA DECLARED THAT THE MOTION DIED DUE TO LACK OF A SECOND.

President Kouba indicated that matter would be tabled at this time, but it could be discussed further. He indicated it would always be his intention to discuss such correspondence with the other Commissioners and not to act alone, but in concert with the rest of the Commissioners.

President Kouba introduced newly appointed Executive Director Clifford Graves who noted his pleasure at joining the Agency and indicated he looks forward to serving the Commission and the City as a whole.

APPROVAL OF MINUTES

It was moved by Ms. Schilling, seconded by Ms. Ong, and unanimously carried that the minutes of the Regular Meetings of February 15 and 22, 1994, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which commends and expresses appreciation to Gene Earl Suttle, Jr. upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco. During his 27 years of service Mr. Suttle occupied various positions and successfully administered a wide variety of program activities. In 1989 he was appointed Senior Deputy Executive Director, the second highest staff position in the Agency. Through his dedication and commitment to the Agency's goals, Mr. Suttle has been an exemplary employee and mentor who will be truly missed. This opportunity is taken to commend Mr. Suttle for his outstanding achievements and wish him well in his future endeavors.

Mr. Suttle indicated that it had been a pleasure to serve the Agency for so many years and thanked the Commissioners for the commendation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-94 BE ADOPTED.

- (b) Mr. Graves introduced item (b), which requests adoption on second reading for final passage the Redevelopment Ordinance levying an Agency transient occupancy tax in redevelopment project areas to be pledged to pay the bonds for the CB-3 Children's Facilities, Moscone Improvements and proposed Mexican Museum in Yerba Buena Center. The Ordinance passed by a unanimous vote at the March 8, 1994 Commission meeting and adoption on second reading will make the Ordinance effective in accordance with its terms. The levy of tax will not increase any tax payment, but will merely allow

the Agency to capture an existing stream of hotel tax revenue to pledge for the bonds to build the proposed program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ORDINANCE NO. 1-94 BE ADOPTED.

NEW BUSINESS

President Kouba indicated that item (e) would now be considered.

- (e) Richard Kono, Acting Senior Deputy Executive Director, introduced item (e), the purpose of which is for a presentation by the People's Earth Day Coalition and consideration of a request for funding in an amount of \$80,000 to sponsor the 1994 People's Earth Day celebration proposed for April 23, 1994 in the South Bayshore area. Mr. Samuel Murray, Chairman of the Coalition, gave a brief presentation on February 15, 1994 on the 1993 Earth Day celebration for which the Coalition received \$80,000 from funds the Agency has allocated to the Mayor's Bayview/Hunters Point Economic Planning and Development Task Force. Although the total pool of funds allocated to the Task Force totals \$2,202,037, only \$841,651 are funds derived from revenue sources other than CDBG income and tax allocation that could be used to fund an activity such as Earth Day. The balance of those funds that could be used for an Earth Day event is \$54,739. The current funding request for \$80,000 has not been presented to the Task Force and there are no other budgeted Agency funds for these activities. In accordance with established procedures, it would be appropriate for Mr. Murray to present his request to the Task Force who, in turn, may ask the Agency to release any funds they approve for People's Earth Day 1994.

Samuel Murray, President, People's Earth Day Coalition, made a presentation and requested funding for the 1994 Earth Day be approved.

The following persons spoke in support of the 1994 People's Earth Day Celebration: Denny Larson, Citizens for a Better Environment; Bradley Angel, Greenpeace; Espanola Jackson, District 7 Democratic Club; George Williams; Lynn Daniels; David Umble, Bayview/Hunters Point Enterprise Center; Willie Bell McDowell; Alex Pitcher; Steve Cohn, Bayview Opera House; Gregory McDowell; Yvonne Ellis; Weldon Darsy; Saul Bloom, ARC/Arms; Don Eichelberger; Aurea Luis-Carnes; Robbie Leeds, Sound Action; Brian Webster, Business for Social Responsibility; Carolyn Bailey; Kevin Williams, New Bayview Committee; and Dwight Kinnard, P & K Trucking.

The speakers noted the economic benefits to the community that will be derived from the People's Earth Day Celebration.

Dann Johnson, representing the San Francisco Giants, spoke in opposition to People's Earth Day being held on April 23 because it will disrupt traffic for a Giants baseball game scheduled for that date.

Yvette McCoy, Chair, Mayor's Bayview/Hunters Point Economic Planning and Development Task Force noted that the Coalition has not made a presentation to the Task Force on the 1993 Earth Day, nor have funds been requested for the 1994 Earth Day event. She indicated that she would be opposed to the Commission allocating funds without approval of the Task Force because this is established procedure.

Mr. Murray indicated that the reason the Task Force has not acted on this matter is because the meetings have not had a quorum over a period of several months.

Mr. Rosales noted his concern about how to accomplish procedurally the funding now and in the future.

Ms. Ong noted her concern about using the \$200,000 that is for small business loans for a one day event.

Mr. King noted that economic development is determined in different ways and Earth Day is vital to the community, but he also believes the Task Force should meet and approve the expenditure as a policy.

Mr. Kitahata indicated he believed the Agency should follow established procedure and he would be opposed to allocating funds without prior approval from the Task Force.

Following an extensive discussion between the Commissioners, staff and the speakers, the following motion was made:

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. SCHILLING, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT FUNDING OF \$80,000 FOR PEOPLE'S EARTH DAY CELEBRATION 1994 BE APPROVED SUBJECT TO THE MAYOR'S BAYVIEW/HUNTERS POINT ECONOMIC PLANNING AND DEVELOPMENT TASK FORCE MEETING WITHIN ONE WEEK AND CONSIDERING WHETHER TO RECOMMEND APPROVAL. HOWEVER, IF THE TASK FORCE DOES NOT MEET WITHIN ONE WEEK THE COMMISSION MAY NONETHELESS ELECT TO APPROVE THE FUNDING WITHOUT A TASK FORCE RECOMMENDATION. FURTHERMORE, STAFF IS INSTRUCTED TO IDENTIFY ALTERNATIVE SOURCES OF FUNDING FOR THE \$25,261 SHORTFALL FOR COMMISSION CONSIDERATION AT THE MARCH 22, 1994 MEETING.

At this time, 6:10 p.m. Mr. Graves left the meeting and Richard Kono, Acting Senior Deputy Executive Director, conducted the remainder of the meeting.

President Kouba announced that there would be a brief recess. The meeting recessed at 6:10 p.m. and reconvened at 6:15 p.m. with the same roll call.

- (a) Helen Sause, Project Director, Yerba Buena Center, and William Carney, Senior Staff Architect, introduced item (a), a workshop and approval of the Preliminary Construction Documents (PCD's) for the Children's Garden on Central Block 3 (CB-3) in Yerba Buena Center. At a February 1, 1994 Commission workshop and

related community review sessions, Landscape Architect Paul M. Friedberg reviewed the progress on the PCD's. Approval at this time will enable the landscape architect to start immediately on production of the Final Construction Documents, which are scheduled for completion in July, at the same time as completion of final documents for the Children's Center buildings. This concurrence of completion dates is essential in order to permit final coordination of the two sets of construction documents and for the Agency to bid the project as a whole. Construction is scheduled to begin in the Fall with completion in 1996.

Mr. Friedberg made a design presentation.

Mr. Kitahata requested a status report on the operation, organizational structure and funding for the Children's Place, which Ms. Sause indicated would be provided. She noted that operating agreements will be presented for Commission consideration within the next 45 days.

Brenda Berlin, Consultant, gave a status report on the Children's Place.

President Kouba indicated that Jacqueline Clemens, Museum Parc/South of Market Neighborhood Association, had wished to speak on this item but had to leave the meeting due to time constraints.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-94 BE ADOPTED.

- (b) Mr. Kono introduced item (b), which requests authorization of an extension of Exclusive Negotiations, until May 18, 1994, with a joint venture to be formed and composed of Marc Facio and S. Osborn Erickson for the development of Parcel 714-A(2), located the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. Subsequent to authorization of Exclusive Negotiations in September 1993 for the development of a high-rise residential building consisting of 72 loft-type condominium units with ground level commercial space, it was determined that the project could not support the cost of a below-grade garage structure which resulted in a complete redesign of the lower floors of the building. A sixty day extension is being requested to complete architectural plans and negotiate the terms of a Land Disposition Agreement.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MD. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-94 BE ADOPTED.

- (c) Mr. Kono introduced item (c), which requests authorization of a Termination Agreement, which provides for a refund of the performance deposit, with the Bush Street Synagogue Cultural Center in connection with the rehabilitation of 1881 Bush Street and development of the adjacent parcel located at the southeast corner of Bush and Laguna Streets in the Western Addition A-2. Since authorization of the Land Disposition Agreement (LDA) in

October 1990, it has been amended on four occasions and was terminated effective February 14, 1994 due to the developer's failure to perform in accordance with the terms of the LDA. The developer has requested a refund of its \$16,475 security deposit and has executed a termination agreement. The developer has advised of its continued desire to acquire the historic landmark building for relocation from its present site and restoration at another site near the Civic Center. If the developer comes forward with a viable plan to relocate the building, the proposal will be presented to the Commission.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-94 BE ADOPTED.

- (d) Byron Rhett, Project Coordinator, Hunters Point Shipyard, introduced item (d), which requests authorization of an amendment to the contract with SBB Communications in an amount of \$6,600 related to conference planning services for the February 19, 1994 Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC) Conference in connection with the land use process for Hunters Point Shipyard. The Mayor has designated the Agency as the lead agency in planning re-use of the Shipyard and staff has contracted with City Planning to undertake this effort. The CAC has been charged with soliciting community input in the planning, toxic clean-up and development of the Shipyard. In that connection the CAC held a Land Use Planning Conference organized by SBB Communications, in conjunction with Public Affairs Management, who were selected following a Request for Proposals process. The Conference was initially scheduled for January 29, however, it was rescheduled to February 19, 1994 primarily because of the unavailability of the Southeast Community Facility. This unanticipated delay resulted in additional hours in conference planning, production and labor for an increased cost of \$6,600. The Conference was attended by over 200 people and the participants felt it was informative, productive and very successful.

Mr. Rhett introduced Shelley Bradford Bell, SBB Communications.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-94 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Senior Deputy Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) Robert Gamble, Deputy Executive Director, Finance, reported that during the past several months, staff has been meeting with the Mayor's Mission Task Force to explore the possibility of developing a new redevelopment project in a portion of the Mission District. It now appears that the City Planning Commission is moving toward the adoption of a Community Plan for the Northeast Mission Industrial Zone. At such time as that occurs, the Agency would be in a position to move toward certain

implementation activities called for in the Community Plan. Discussions to date with the Task Force have been productive and the overall approach has been one of providing information regarding the redevelopment process to the citizens. The approach from top management staff has been one of trying to build understanding and trust, with the idea of developing a private/public partnership with the Mission District. Staff will keep the Commission informed as events occur in this potential new endeavor.

- (b) It had been intended Larry Florin, Manager, Office of Base Closure, and Pam David of the Mayor's Office would report on the Job Corps Center at Treasure Island, however, they had to leave the meeting due to time constraints.
- (c) A resolution endorsing a non-binding Memorandum of Understanding among the City, the Redevelopment Agency and the Navy establishing guidelines for the negotiations of binding agreements providing for the acquisition and management by the City and Redevelopment Agency of the Hunters Point Shipyard was approved by the Select Committee on Base Closures and will be before the Board of Supervisors on March 21, 1994 for their consideration.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) A discussion ensued between the Commissioners and David Madway, Agency General Counsel, regarding the Memorandum of Understanding with the Navy for the Hunters Point Shipyard relative to the regulations being promulgated which will assure local business and job opportunities.

Mr. Kitahata indicated he would like to see the regulations when they are finalized.

- (b) In response to an inquiry from Ms. Ong, Mr. Kono indicated that difficulty has been encountered in coordinating the attorneys involved for a workshop planned for March 29 to consider amendments to the Agency's Purchasing Policy and contracting in legal services. However, it is hoped to reschedule the workshop for April 5, 1994.
- (c) In response to an inquiry from Ms. Ong, David Madway, Agency General Counsel, reported on compliance with the Agency's affirmative action guidelines by the Center for the Arts at Yerba Buena Gardens.

Mr. Rosales requested a breakdown of the composition of the 51 percent in contracts awarded to M/WBE's, which Mr. Kono indicated would be provided.

In response to an inquiry from Mr. Rosales, Mr. Madway indicated that the Center for the Arts will respond to a letter from King Security Services regarding a contract award.

- (d) In response to an inquiry from Mr. Rosales, Mr. Madway indicated that the issue of the closure Natoma Street will be addressed when the developer selection for East Block 2C is considered by the Commission.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Mary Rogers noted that she had received part of the information she had requested relative to Western Addition tax increment funding and Mr. Kono indicated that fiscal staff is endeavoring to provide the remainder of the information requested.
- (b) Ace Washington, WAPAC, spoke regarding WAPAC and matters related to the Western Addition. He requested support for a dinner honoring WAPAC's anniversary.
- (c) Dwight Kinnard, P & K Trucking, spoke regarding Drydock #4 at the Hunters Point Naval Shipyard.

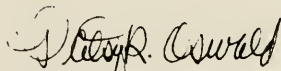
President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.9(a) Johnson vs. San Francisco Redevelopment Agency, et al. San Francisco Superior Court No. 952622.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Litigation and Personnel. The meeting adjourned at 7:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

April 19, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF MARCH, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of March, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong

DOCUMENTS DEPT.

and the following were absent:

Leslie T. Schilling
Clarence R. Stern (Arrived 4:05 p.m.)

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The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Aurea Luis Carnes; Jan Hutchins, Director of Community Development, San Francisco Giants; Ocie Mae Rogers; Karen Huggins, San Francisco Housing Authority Commissioners; Karen Goodson Pierce, Vice Chair; Mayor's Bayview/Hunters Point Economic Planning and Development Task Force, and President of the Bayview/Hunters Point Democratic Club; Sam Murray and Kevin Williams, New Bayview Committee; Dwight Kinnard, P & K Trucking; Naomi Porat and Monica Wilson, Sedway & Associates; Dr. Mitch Katz, Director of the Department of Public Health AIDS Office and Co-Chair of the Mayor's HIV Health Services Planning Council; Gerald Lenoir, Black Coalition on AIDS; Bob Nelson, Catholic Charities of San Francisco; Ace Washington, Western Addition Area Project Committee (WAPAC); Pam David, Mayor's Office; Cati A. Okorie, New Bayview Committee; and J.A. Lawrence, International Federation of Professional and Technical Engineers Local 21.

APPROVAL OF MINUTES

It was moved by Ms. Ong, seconded by Mr. Rosales, and unanimously carried that the Closed Session minutes of November 3, 9, 10, 13, 23 and December 7, 1993 and the minutes of the Special Meeting of December 13, 1993, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests authorization of an Amendment to the Bayview/Hunters Point Economic Development Plan (Plan) and authorizing a Personal Services contract in an amount not to exceed \$80,000 with the Tides Foundation to enable the Foundation to serve as fiscal agent for the People's Earth Day Coalition (Coalition), sponsor of the Fourth People's Earth Day Celebration Street Fair. The Mayor's Bayview/Hunters Point Economic Planning and Development Task Force was established by the Mayor to provide policy input into economic development issues and resource allocation affecting the neighborhood. The Task Force has developed policies and procedures to implement a revised Small Business Revolving Loan Program and amended the Expenditure Plan to fund Marketing, Promotion and Tourism. On March 21, 1994, the Task Force held a Special Meeting to consider the request of Samuel Murray, on behalf of the Coalition, for \$80,000 to fund the Earth Day Celebration. Following an extensive discussion centering on whether sponsoring a one-day event was an appropriate use of economic development funds, the Task Force members were requested to vote to: revise the Bayview/Hunters Point Economic Development Implementation Program to approve the transfer of \$66,912 from the non-CDBG and non-tax increment fund to marketing, promotion and tourism line item; and authorize a personal services contract in an amount not to exceed \$80,000 with the Tides Foundation, to enable the Foundation to serve as the fiscal agent for the People's Earth Day Coalition to sponsor the Fourth Annual People's Earth Day Celebration to be held on April 23, 1994 on Third Street in the Bayview/Hunters Point area. Six Task Force members supported these actions and six were opposed.

Mr. Stern arrived at this time, 4:05 p.m.

The following persons requested approval of item (a): Aurea Luis Carnes; Jan Hutchins, Director of Community Development, San Francisco Giants; Karen Huggins, San Francisco Housing Authority Commission; Sam Murray and Kevin Williams, New Bayview Committee.

Mr. Hutchins gave an overview of the positive economic effects on the San Francisco economy stimulated by the Giants and noted that, contrary to a statement made by a speaker at the March 15, 1994 meeting, there is no concern on the part of the Giants that Earth Day will impact traffic on April 23, the same day a Giants baseball game is scheduled.

Dwight Kinnard, P & K Trucking, suggested that the Commission take charge of the Hunters Point Shipyard in order to generate money for economic development of the Bayview/Hunters Point community.

In response to an inquiry from Mr. Kitahata, Ms. Carnes indicated that Mr. Murray does not receive monetary compensation. However, an opinion is being awaited from the Mayor's Office of Community

Development (MOCD) as to whether a conflict of interest exists with regard to his vote.

Mr. Murray noted that Jay Smith of MOCD indicated that a conflict of interest does not exist and so he had voted in favor of funding Earth Day.

The following persons spoke in opposition to item (a): Ocie Mae Rogers; and Karen Goodson Pierce, Task Force Vice Chair and President of the Bayview/Hunters Point Democratic Club.

Ms. Rogers and Ms. Pierce indicated that it is inappropriate to use economic development funds for a one-day event and Mr. Pierce indicated that it would be more appropriate for Mr. Murray to apply for arts funds from the hotel tax.

An extensive discussion ensued between the Commissioners regarding the appropriateness of funding the Earth Day event, given the negative vote of the Task Force.

Commissioners Kitahata and Ong noted their opposition to allocating funds for Earth Day since the deadlocked vote of the Task Force indicates that it is an inappropriate use of economic development funds and it is established procedure to accept Task Force recommendations.

Mr. Rosales noted his concern regarding funding sources for future Earth Day events.

Mr. King noted that Earth Day has been endorsed by the Mayor, the Board of Supervisors and Congresswoman Pelosi and additional funds for the revolving loan program should be requested through the normal budget process to prevent this situation from recurring.

In response to a inquiry from Mr. Kouba regarding sources of funding that could be used to bridge the \$25,261, the difference between \$80,000 and the \$54,739 available, Richard Kono, Senior Deputy Executive Director, indicated that there is over \$250,000 available in non-CDBG and non-tax increment funds that can be used for activities such as Earth Day.

Mr. Graves indicated that it a matter of money being transferred into an account that could be used for the Earth Day event and an error had been made in the figures presented at the March 15, 1994 meeting.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND CARRIED, WITH MR. KITAHATA AND MS. ONG OPPOSING, THAT RESOLUTION NO. 44-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

THE FOLLOWING ITEMS CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a re-negotiated Memorandum of Agreement with the International Federation of Professional and Technical Engineers Local 21 for the period July 1, 1993 through June 30, 1994.
- (b) Adopting a Resolution commemorating March 28 - April 3, 1994, as Community Development Block Grant Program and National Community Development Week within the City and County of San Francisco.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 45-94 AND 46-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Graves introduced item (c), which requests an endorsement of development strategies and funding priorities set forth in the San Francisco five-year HIV/AIDS Housing Plan (Plan). The San Francisco Department of Public Health, working in conjunction with the Redevelopment Agency, the Corporation for Supportive Housing, the Housing and Service Provider Community and AIDS Housing Washington, has issued a Final Draft of the Plan. The Plan sets forth a five year comprehensive strategy for the development of permanent supportive housing for persons living with HIV/AIDS in San Francisco and establishes funding priorities for the population that will be served, setting the highest priority for very low income persons with disabling HIV.

Dr. Mitch Katz, Director of the Department of Public Health AIDS Office and Co-Chair of the Mayor's HIV Health Services Planning Council made a presentation and responded to questions from the Commissioners.

The following persons spoke regarding item (c): Gerald Lenoir, Black Coalition on AIDS; Bob Nelson, Catholic Charities of San Francisco; and Dwight Kinnard, P & K Trucking.

An extensive discussion ensued between the Commissioners, Dr. Katz and Deborah Drickersen Cortez, Development Specialist, regarding the Plan.

Mr. Kouba noted his concern at the low percentage of funding allocated for rental subsidies compared to the high percentage for capital improvements and indicated that he would like to see these percentages revised.

Dr. Katz indicated that he would take Mr. Kouba's concern back to the Council, however, since projects are not moving forward as hoped, partly because of problems encountered with State licensing requirements, it is highly probable that a portion of

the funds designated for the capital improvements program will be used for rent subsidies.

Ms. Cortez responded to questions from the Commissioners regarding the possibility of HUD Section 8 subsidies and bringing the Housing Authority into the program. She emphasized the importance of buying buildings so facilities will be available when funding runs out.

President Kouba indicated that due to time constraints of Pam David, Mayor's Office, an item listed under the Report of the Executive Director would now be heard.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Pam David, Mayor's Office, and Larry Florin, Manager, Base Closure, gave a status report on the Job Corps Center to be located on Treasure Island and responded to questions from the Commissioners.

NEW BUSINESS (Continued)

- (c) Further discussion ensued, during which Ms. Cortez indicated that it is written into the Plan that each year there will be an assessment of needs and Mr. Lenoir indicated that Mr. Kouba's concerns regarding the allocation of rent subsidies will be discussed with the Black Coalition on AIDS. He noted that there is a need to set a range rather than a percentage so adjustments can be made within a given year.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-94 BE ADOPTED.

- (d) Mr. Graves introduced item (d), which commends and expresses appreciation to Richard T. Kono for his service as Acting Executive Director of the Redevelopment Agency of the City and County of San Francisco from December 31, 1993 through March 8, 1994. During a difficult transition period starting in November 1993, Mr. Kono was appointed Acting Senior Deputy Executive Director. Impressed with his outstanding performance in that capacity, the Commission appointed him Acting Executive Director upon the retirement of the Executive Director on December 31, 1993. Mr. Kono has earned the utmost respect of Commissioners, staff and City officials in effectively moving the Agency's complex program forward and competently handling many issues of a sensitive nature that were brought before the Agency during the past several months. This opportunity is taken to thank and commend Mr. Kono for services performed above and beyond the call of duty.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-94 BE ADOPTED.

- (e) Mr. Graves introduced item (e), which requests authorization of a Personal Services Contract with Sedway Associates in an amount

not to exceed \$54,450 to provide consultant assistance in developing the City's application for designation as an Empowerment Zone/Enterprise Community. The Federal Government recently released regulations and guidelines regarding the ability of local governments to apply for designation as either Empowerment Zones or Enterprise Communities with an application deadline of June 30, 1994. This program is the Clinton administration's major urban initiative and a high priority for Mayor Jordan. The Mayor has requested the Agency to take the lead in the application process and a Task Force has been assembled composed of staff from several City departments. A competitive application will depend largely on use of a credible, inclusive, community participation process in the creation of a strategic plan and, given HUD's strong recommendation that an outside consultant be selected for the strategic planning process, as well as the short time frame, the Task Force issued a Request for Proposals (RFP) seeking consultant assistance. Six responses were received and following interviews with three of the respondents, staff recommends entering into a contract with Sedway Associates based upon their experience in similar strategic planning efforts and the general high quality of their proposal. The Commissioners have been provided with details of the firm's affirmative action program. Funds are available from the 1993/94 economic development budget.

Gail Goldman, Enterprise Zone Coordinator, made a presentation on the Empowerment Zone/Enterprise Community application process and responded to questions from the Commissioners regarding the selection process for the consultant contract.

Naomi Porat and Monica Wilson, Sedway & Associates, responded to questions from the Commissioners regarding outreach efforts being undertaken to improve the firm's affirmative action program.

Mr. Graves noted that it is proposed to include a requirement in the agreement that affirmative action progress reports be made.

In response to an inquiry from Mr. Kouba, Kent Sims, Deputy Executive Director, Economic Policy, indicated that the Department of City Planning, one of the respondents to the RFP, had not been interviewed because HUD has a strong preference for outside consultants, rather than City departments. He noted that a primary factor in the selection of Sedway & Associates was an assurance that the strategic plan will be prepared in a timely manner.

At this time, 6:10 p.m., Mr. Rosales left the meeting.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KOUBA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-94 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (b) At the March 15, 1994 Closed Session meeting, the Commission took action to appoint Richard Kono to the position of Acting Senior Deputy Executive Director effective March 9 through June 30, 1994.
- (c) David Madway, Agency General Counsel, summarized amendments to the Brown Act that impact the Agency, which will become effective April 1, 1994, and responded to questions from the Commissioners.
- (d) Thomas Conrad, Chief, Planning and Programming, gave a status report on the Waterfront Plan and noted that at a Waterfront Advisory Board meeting, a vote not to further consider potential development of the waterfront as part of the waterfront planning process was narrowly defeated. As a result of this action, the Advisory Board has scheduled a meeting for April 5, 1994 to further discuss the hotel land use matter. The voters approved Proposition H which prohibits hotels on the waterfront and to permit hotel development would require Proposition H to be reversed by a vote of the people.

Mr. Kitahata noted the importance of the Agency retaining all its options relative to the development of Pier 40 and indicated he would like the Commission to take a position prior to the April 5 meeting of the Advisory Board.

Mr. King indicated that the Commission is on record as opposing hotels on the waterfront.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. STERN, AND CARRIED 2-1, WITH MR. KING OPPOSING, THAT A DISCUSSION ON THE DEVELOPMENT OF PIER 40 BE CALENDARED AS AN AGENDA ITEM PRIOR TO APRIL 5, 1994.

- (e) A resolution endorsing a non-binding Memorandum of Understanding (MOU) among the City, the Redevelopment Agency and the Navy establishing guidelines for the negotiation of binding agreements providing for the acquisition and management by the City and Redevelopment Agency of the Hunters Point Shipyard was before the Board of Supervisors on March 21, 1994 for their consideration. The resolution was amended to indicate that it is the Board's intent that the final, binding agreements contemplated by the MOU provide for the maximum allowable preferences for minority business enterprises, woman business enterprises and local business in contracts for environmental investigation and remediation and provision of goods and services in the management of the Shipyard, and that the agreements specifically require the Navy to comply with its obligation to give preferences to such businesses.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong noted that she is now the only Commissioner serving on the Center for the Arts at Yerba Buena Gardens Board and requested that consideration be given to appointing two non-Commission members with voting rights to serve on the Board.

It was the consensus of the Commission that this matter be calendared as an agenda item at the March 29, 1994 meeting.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
AGENCY RELATED MATTERS

- (a) Ace Washington, Western Addition Project Area Committee (WAPAC) spoke regarding WAPAC and requested a Proclamation for its services in the Western Addition. He requested support for WAPAC's 25th anniversary which occurs on May 5.

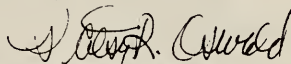
President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is the GAP.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 7:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

April 19, 1994

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11/
11/ MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF APRIL, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of April, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

Cynthia Choy Ong (Arrived 4:45 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Anna Wong and Mae Louie, Chinatown Task Force; Keith Consoer, Presidio Avenue Association of Concerned Neighbors (PAACN); Arnold Chin, Chinese Chamber of Commerce; Mary Helen Rogers; Kevin Williams, New Bayview Committee; Essie Collins and Naomi Gray, Mayor's Western Addition Economic Development Task Force; Nat Mason; Drucilla Ramey, Executive Director, Bar Association of San Francisco; Michaela Cassidy, San Francisco Chamber of Commerce; Theodore Hsien Wang, Working Group Chair, Agency's Purchasing Policy and Procedures; Alan Toma, Council of Asian American Business Associations; Aileen Hernandez, Coalition of Economic Equity; Albert Seto; Asian American Contractors Association; Romulus Asenloo and Alvin Hom, Asian, Inc.; Samuel Kwong, Asian American Architects and Engineers; Anne Cervantes, San Francisco Hispanic Chamber of Commerce; Jane Nordhov, Baseline Environmental Consulting; Darrel Cruz, Coast Partners Securities; Duncan MacDonald, Gutierrez & Associates; and Garrett Wong, Wong and Lee.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

(a) Approval of Minutes: March 8, 1994.

- (b) Authorizing a First Amendment to the Agreement for Disposition of Land for rehabilitation (LDA) with with Steven L. Tate and Janice R. Trapp regarding the revision of the Schedule of Performance of said LDA in connection with 1866 Turk Street located on the north side of Turk Street between Divisadero and Broderick Streets; Western Addition A-2.
- (c) Approving an amendment to the loan agreements with the City and County of San Francisco Redevelopment Financing Authority with respect to the Agency's 1993-94 tax allocation revenue bonds to clarify permitted investments.
- (d) Approving an amendment to the City and County of San Francisco Redevelopment Financing Authority Joint Exercise Powers Agreement between the City and County of San Francisco and the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (b), (c) AND (d), RESOLUTION NUMBERS 50-94, 51-94 AND 52-94, BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a meeting of the San Francisco Redevelopment Financing Authority. The meeting adjourned at 4:09 p.m.

RECONVENED

At this time, 4:16 p.m., the meeting reconvened back to the regular session, with the same roll call.

NEW BUSINESS - REGULAR AGENDA

- (e) Robert Gamble, Deputy Executive Director, Finance, introduced item (e), which requests authorization of a Loan Agreement relating to the issuance of City and County of San Francisco Redevelopment Financing Authority tax allocation revenue bonds to fund the Agency's 1993-94 fiscal year budget, approving an official statement and authorizing and approving related matters. The Agency's budget as approved by the Board of Supervisors for 1993/94 requires the issuance of approximately \$27 million of additional tax increment debt to support the activities programmed in the budget. Of the \$27 million, approximately \$9.5 million will be taxable debt and the remainder tax-exempt. The taxable debt is required primarily to provide subsidies to affordable housing projects which utilize tax credits. The budget resolution authorized an increase in the use of tax increment from \$12.7 million annually to \$14.8 annually, an increase of \$2.1 million. To assure the lowest cost of issuance and to minimize the time required to undertake the transaction, staff recommends that these bonds be sold on a competitive basis. The structure of the transaction is similar to those the Agency has undertaken over the past four years

whereby tax increment revenues from several redevelopment areas are pooled through establishment of loan agreements between the Agency and its Joint Powers Authority and pooled debt is issued by the Authority under the Marks Roos Act. The resolution before the Commission authorizes staff to process the necessary documents to accomplish the sale. The timing of the sale is uncertain, however, it will be undertaken as soon as a stable market is available. It should be noted that it is proposed to amend the resolution before the Commission by changing the interest rate from 8.1/2% to 9.1/2%.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-94, AS AMENDED, BE ADOPTED.

- (f) Mr. Graves introduced item (f), which requests authorization of a non-binding Memorandum of Understanding (MOU) among the City and County of San Francisco, the Redevelopment Agency of the City and County of San Francisco, and the Department of the Navy of the United States of America, establishing guidelines for the negotiation of binding agreements providing for the acquisition of the Hunters Point Shipyard. Following two years of negotiations, agreement has been reached on the MOU, which has been signed by Mayor Jordan and ratified by the Board of Supervisors. It outlines the terms and conditions under which the Navy will transfer title of the Shipyard to the City and the City will assume management responsibility for the Shipyard. The MOU is the basis for entering into three binding agreements: purchase and sales agreement for Parcel A; an option agreement to transfer Parcels B, C, D and E and a management agreement for those parcels. Upon conveyance of Parcel A, the City would become responsible for managing the balance of the Shipyard except those portions the Navy continues to occupy. The City will not accept conveyance of any parcels until toxic clean-up is completed and certified by the Navy and appropriate State and Federal regulatory agencies. At the Board of Supervisors' March 21, 1994 meeting, the Board resolution approving the MOU included language regarding preference for minority, women and local businesses in contracting and hiring opportunities.

A discussion ensued between the Commissioners and staff regarding the Navy's position on local contracting and job opportunities.

Mr. Kouba indicated that, since the Shipyard will become a redevelopment project area, he would urge adoption of this item.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-94 BE ADOPTED.

- (g) Mr. Graves introduced item (g), which requests authorization of an amendment to the Personal Services Contract between the Agency and Simon Martin-Vegue Winkelstein Moris, in the amount of \$68,000 for additional planning communications services necessary to complete the Land Use Plan for the Hunters Point Shipyard. It is recommended this item be tabled.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 55-94, WOULD BE TABLED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (h) Mr. Graves introduced item (h), which requests authorization of a Second Amendment to the Personal Services Contract with Baseline Environmental Consulting, which increases the amount payable by \$100,000 for a total contract amount of \$350,000, for hazardous materials and waste consultation services in connection with All Approved Redevelopment Project Areas and Other Designated Sites. The proposed increase is required to fund toxic studies for South Beach Park, the 7th and Natoma affordable housing site, the GSA site and 1899 Bush Street. These studies are needed to determine the levels of contaminated materials on the sites and the remediation efforts required to allow development to take place. Baseline is a woman-owned business enterprise and staff finds the firm's affirmative action efforts within their workforce satisfactory. Since approval of the contract in March 1992, investigations on several development sites have been conducted in a professional, competent and cost effective manner.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-94 BE ADOPTED.

- (i) Mr. Graves introduced item (i), which requests authorization to rescind Resolution 216-92 with respect to the appointment of Commissioners to the Center for the Arts' (Center) in connection with Yerba Buena Center. The Agency Commissioners have been involved in the Center since its inception because of the complexities involved in developing the buildings and establishing the innovative program that the Agency is committed to achieve. However, since the Center has now developed an effective management structure and programming and budgetary process which provides for achieving the objectives of the community and Agency, as well as effective controls over expenditure of funds, it does not appear to be necessary to have Commissioners appointed to actually serve on the Board. It is therefore proposed to modify Resolution 216-92 to delete the requirement that the Center include two appointed Commissioners to serve on the Board as representatives of the Agency. It is recommended that the day-to-day operations of the Center continue to be monitored by staff. The financial activities will be closely reviewed through the Center's budget reporting process and acted upon by the Commission when the it comes before the Commission for approval.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-94 BE ADOPTED.

- (j) Helen Sause, Project Director, Yerba Buena Center, introduced item (j), which requests authorization to issue a Request for Proposals (RFP) for the development of Parcel 3763-A located at the southeast corner of Third and Harrison Streets and approving

advertising expenses in an amount not to exceed \$7,500 for the offering of the parcel in connection with Yerba Buena Center. In July 1993, the Land Disposition Agreement (LDA) was terminated due to the developer's inability to obtain financing for the development proposed in response to an earlier offering which permitted development of offices, retail, restaurants, hotel and other uses, but not residential. A proposed amendment to the Yerba Buena Center Redevelopment Plan would permit residential uses in addition to commercial, light industrial and live/work units. Since market conditions now appear to be improving and a number of developers have expressed interest in the site, it is believed appropriate to re-offer the site at this time. The Commissioners have been provided with a copy of the proposed RFP which provides for a 60 day offering period. Upon Commission approval, the RFP process will proceed and developers will be required to submit proposals by June 8, 1994 with selection to be made in July 1994. The price of the site will be that bid by the selected developer, with a minimum bid price of \$1,250,000 based on a current re-use appraisal.

Ms. Sause responded to questions from the Commissioners regarding the offering and the extent of advertising that will be undertaken.

In response to an inquiry from Mr. Kitahata, Ms. Sause indicated that a developer who previously bid on the site is being encouraged to submit a proposal.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-94 BE ADOPTED.

- (k) Kent Sims, Deputy Executive Director, Economic Policy, introduced item (k), which requests adoption of a Policy governing Agency funding of street fairs, parades and other events. In recent years an increasing number of requests have been received for the Agency to use the City's neighborhood economic development funds under its control for parades and street fairs. When the economic development funds were established and plans for investing these funds were approved, such events were not contemplated uses of these resources. In order to accommodate event funding requests, the Agency has generally amended approved development plans by shifting money from small business loan pools to marketing and promotion accounts and exchanged restricted income for Agency discretionary funds. The economic development funds are derived from: Community Development Block Grant (CDBG) income; proceeds from tax increment bonds; and other Agency funds, such as proceeds from tax increment bonds. HUD requires that the CDBG income be used to create permanent jobs which makes parades and street fairs ineligible for this source of funding. Tax increment bond proceeds may be used to fund such events but only in redevelopment project areas. Agency discretionary funds have few restrictions and may be used to fund events outside as well as within redevelopment project areas. Although street fairs and parades have clear economic benefits, the Agency needs to address the issue of funding such events with

resources that directly or indirectly are derived from the proceeds of long term bonds. It is therefore proposed to establish a policy that restricts the level of event funding and defines the circumstances under which such requests will be considered by requiring that: all event funding be specifically included in the Agency's budget; the event be part of an approved economic development plan; evidence be provided of prior application to the Hotel Tax Fund by the event sponsor. However, the Hotel Tax Fund application will not be a requirement this year since the application deadline was February 11. Since it is not appropriate for the Agency to use bond proceeds as a permanent income stream for such events, it is recommended not more than three consecutive years of the same annual event be funded and that Agency provide a declining share of the event's total budget. It is also recommended that the organization sponsoring the event demonstrate its commitment by providing a portion of event expenses from other than Agency resources and more flexibility be provided for funding events in project areas because the Agency is in a better position to assure that an event is an integral part of a well conceived revitalization scheme. Neighborhood economic development task forces are becoming more reluctant to recommend use of the Agency's limited resources for event funding and it is proposed that a policy be adopted that restricts the amount of resources it expends for this purpose.

Ms. Ong arrived at 4:45 p.m. during Mr. Sims' presentation.

The following persons spoke regarding item (k): Anna Wong, Chinatown Task Force; Keith Consoer, Presidio Avenue Association of Concerned Neighbors (PAACN); Arnold Chin, Chinese Chamber of Commerce; Mary Helen Rogers; Kevin Williams, New Bayview Committee; Essie Collins and Naomi Gray, Mayor's Western Addition Economic Development Task Force; and Nat Mason.

A number of speakers indicated support of continued Agency funding for neighborhood events, but instead of using economic development funds, which should be reserved for creating job opportunities and assisting businesses, that the Agency should establish a policy and a budget for street fair funding and requested that this item be postponed so that the community could have input into the policy.

The Commissioners noted their concern that the Agency needs to set its priorities on whether funds should be used for street fairs or to assist businesses; and the need to establish a policy as soon as possible that has been circulated to the communities, which policy would include requirements to apply for Hotel Tax money and other similar funds and put money in the 1994-95 budget for this purpose, which funds would be separate from economic development.

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 59-94, BE CONTINUED TO THE MEETING OF MAY 10, 1994 TO ALLOW ADDITIONAL STAFF RESEARCH AND COMMUNITY INPUT.

- (1) Mr. Graves introduced item (1), which requests acceptance of a report from the Working Group regarding the Agency's Minority/Woman Business Enterprise (M/WBE) and adoption of a Revised Purchasing Policy and Procedures. In July 1993, the Commission appointed a Working Group of Commissioners, appropriate Agency staff and community representatives to review the interim Purchasing Policy and Procedures and make additional recommendations. The Commissioners have been provided with a report from Theodore Hsien Wang on behalf of the Working Group which contains nine recommendations.

Mr. Wang made a presentation and responded to questions from the Commissioners.

President Kouba noted that letters had been received from a number of organizations requesting action be postponed.

Ms. Ong requested that contracting in legal services be considered as a separate issue as agreed to previously. She noted her concern that staff had not reported back regarding any legal impediments in connection with a proposal made by a Commission sub-committee over a year ago.

The following persons spoke regarding item (1): Drucilla Ramey, Executive Director, Bar Association of San Francisco; Michaela Cassidy, San Francisco Chamber of Commerce; Alan Toma, Council of Asian American Business Associations; Aileen Hernandez, Coalition of Economic Equity; Albert Seto; Asian American Contractors Association; Mary Helen Rogers; Rolulus Asenloo, Asian, Inc.; and Samuel Kwong, Asian American Architects and Engineers.

Several speakers suggested that the Working Group's recommendations be approved today because of pending contracts but that the remainder of the document be continued so additional issues can be addressed with sufficient time allowed to review the document.

Ms. Ramey noted her concurrence with Ms. Ong that legal services be considered separately and offered the services of the Bar Association in establishing policies.

Mr. Wang noted his support of adopting today the recommendations agreed upon by the Working Group, so they can be incorporated in upcoming contracts and that there be further review by the Working Group on the overall policy.

Mr. Graves suggested the Working Group's recommendations be endorsed in principle and staff return with further refinements in two weeks.

Following an extensive discussion between the Commissioners, Mr. Wang and Executive Staff, the following motions were made:

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT THE RECOMMENDATIONS OF THE WORKING GROUP BE ADOPTED AS AGENCY POLICY AND THAT RESOLUTION NO. 60-94 BE CONTINUED TO APRIL, 19, 1994.

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED, THAT STAFF RESPOND IN ABOUT THREE WEEKS TO THE PROPOSAL BY THE COMMISSION SUB-COMMITTEE ON LEGAL SERVICES CONTRACTS AND THAT SUBSEQUENTLY WORKSHOPS BE SCHEDULED.

Mr. Rosales left the meeting at this time, 7:15 p.m.

REPORT OF THE PRESIDENT

- (a) President Kouba inquired regarding staff's consideration of making the Hunters Point Shipyard a redevelopment project area and David Madway, Agency General Counsel, indicated that there is a lengthy planning and environmental review process to be undertaken before it would be appropriate to suggest the establishment of a formal redevelopment project area.

President Kouba indicated that at the April 12, 1994 meeting he would like a discussion on potential new survey areas.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) Commissioners Kouba and Rosales, Robert Gamble, Deputy Executive Director, Finance, and the Executive Director attended the April 5 hearing of the Government Efficiency and Labor Committee of the Board of Supervisors pertaining to governance of the Agency by the Board which was continued to Call of the Chair. Another item discussed related to recommendations of the Budget Analyst with regard to reporting procedures. Agreement was reached to meet with the Government Efficiency and Labor Committee and it is hoped in the future to arrange meetings with other Board Committees.
- (b) The Commissioners will be provided with a report of the Working Group studying the feasibility of a Public Benefit Corporation being formed in connection with the Hunters Point Shipyard.
- (c) The Commissioners have been provided with an informational memorandum dated April 1, 1994 regarding the bond transaction to finance the Children's Facilities on Central Block 3 in Yerba Buena Center. The Chief Administrative Officer (CAO) has proposed that the Agency agree to a side letter which would stipulate that any loss of proceeds due to increasing interest rate be shared on a two thirds and one thirds basis, with the Agency assuming two thirds of the risk and CAO assuming one third

of the risk in accordance with the overall proceeds of the transaction. The Mexican Museum would be held harmless from interest rate risk under the CAO's proposal. It is believed that it would be appropriate for the Commission to instruct staff to convey to the CAO that the Children's Center is the priority project within the financing and that it is essential that the proceeds for the convention facilities remain at the amount originally set by the Board of Supervisors.

It was the consensus of the Commission that staff recommendation regarding the approach to the CAO be accepted.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Stern noted that construction has started on the Fillmore Marketplace development and staff are to be commended for their efforts in moving this project forward.

President Kouba announced that there would be a Closed Session pursuant to Government Code 54957.6: Conference with Labor Negotiator. Agency Negotiator: James E. Nybakken. Unrepresented employee: Executive Director.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, April 1, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON APRIL 1, 1994.

This item is pursuant to Government Code Section 54956.9(a) concerning pending litigation. The name of the case is Independent Housing Services vs. Fillmore Center, et al.

RECESS

It was moved by Ms. Schilling, seconded by Mr. King, and unanimously carried that the meeting be recessed to Closed Sessions on Conference with Labor Negotiator and pending litigation. The meeting recessed at 7:35 p.m.

RECONVENED

At this time, 8:05 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that the following action was taken by the Commission:

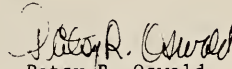
MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE AMENDMENT TO CLIFFORD W. GRAVES' EMPLOYMENT CONTRACT, WHICH MODIFIES THE SCHEDULE FOR THE REMAINING HOUSING ALLOWANCE PAYMENTS DUE TO HIM BY MAKING THE PAYMENTS OVER AN EIGHT MONTH PERIOD, INSTEAD OF OVER A 12 MONTH PERIOD, BE APPROVED.

Minutes of a Regular Meeting, April 5, 1994

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:08 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 17, 1994

MAY 27 1994

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF APRIL, 1994

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of April, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Gary Kitahata
Cynthia Choy Ong
Leslie T. Schilling
Clarence R. Stern

and the following were absent:

Manuel A. Rosales, Vice President
(Arrived 4:40 p.m.)
Leroy King

The President declared that a quorum was present.

Richard T. Kono, Acting Executive Director, and staff members were also present.

Also present were: Al Borvice, Housing Development and Neighborhood Preservation Corporation; Wayne Corn and Marci Bunkers, Western Addition Society; Essie Collins; Robert Speer, Beideman Area Neighborhood Group; Doug Comstock, Panhandle Residents Association; Rosa Rivera, 24th Street Merchants Association; Ross Worden, Mission Residents United; Al Romo, Glenda Powell, Mark Lammers and C.R. Weber, Inner Mission Neighbors; Mickey Rosado; Robert Hernandez; Geraldine Johnson; Cathy Furniss, PADS; Artie Ree Morgan; Bob Baker; Judy West; Cathy Garcia; Ocie Mae Rogers; and Espanola Jackson, District 7 Democratic Club.

NEW BUSINESS

President Kouba indicated that item (c) would now be considered.

- (c) Jack Robertson, Acting Chief of Housing, introduced item (c), which requests authorization of a funding commitment in an amount not to exceed \$1.7 million to Housing Development and Neighborhood Preservation Corporation (HDNPC) and approval of an Option to Purchase Real Property for the development of affordable housing on Agency-owned property located at 7th and Natoma Streets in the South of Market. The Agency is currently in negotiations with the developer for the development of 29 affordable family rental units and \$1,850,000 has been requested to pay for project development costs, which would be in addition

to a deferred land loan currently valued at approximately \$625,000. Application is being made for low-income housing tax credits on April 15, 1994 for additional financing and a local funding commitment is required in order to have a reasonable chance for obtaining a tax credit allocation. The City-wide Housing Loan Committee has approved a \$1.7 million funding commitment, which reflects \$150,000 in staff recommended cuts in the developer's proposed budget. In addition to the funding commitment, the developer needs to demonstrate site control of the property in its tax credit application. Therefore, approval is being requested of an Option to Purchase Real Property, which would be exercised in the form of a Land Disposition Agreement (LDA) by the end of 1994 if all financing is obtained.

Mr. Robertson introduced Al Borvice, HDNCP, who responded to questions from the Commissioners regarding the project.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-94 BE ADOPTED.

- (a) Shirley Wysinger, Project Coordinator, Western Addition A-2, introduced item (a), which requests authorization to amend the Agency's 1994-95 budget in the amount of \$55,000 for the Western Addition Society's (Society) Second Annual Victorian "Celebration of the Season" to showcase the Western Addition area. The Society, a non-profit organization comprised of neighborhood merchants, the Victorian Alliance, property owners and community organizations concerned about the economic revitalization of the neighborhood, held its first event in December 1993 and funds were requested during the Agency's 1994-95 budget hearings for this year's December event. Funding was sought through the hotel tax fund, however, the Society did not qualify for assistance due to a requirement that an organization must have two years experience. An informational presentation has been made to the Mayor's Western Addition Economic Development Task Force who took no formal action on the matter.

The following persons spoke regarding item (a): Wayne Corn, Western Addition Society; Essie Collins; Robert Speer, Beideman Area Neighborhood Group; Doug Comstock, Panhandle Residents Association; and Glenda Powell, Inner Mission Neighbors.

Mr. Corn made a presentation on behalf of the Western Addition Society and responded to questions from the Commissioners. He noted that this event will promote tourism and assist in the revitalization of the Western Addition area, which has received adverse publicity.

In response to an inquiry from Ms. Ong, Ms. Wysinger indicated that this would be an additional item in the Agency's 1994-95 budget and it is not proposed to use Western Addition economic development funds.

Ms. Wysinger responded to questions from Ms. Ong regarding the participating neighborhood groups, which she noted have supported and assisted the Agency in its program.

Ms. Collins indicated that she is not opposed to this organization, however, it had been her understanding from discussion at the April 5, 1994 meeting that all requests for event funding would be tabled until a policy is established and she did not believe it should be added to the budget. She indicated that if this item is approved, she would like a line item in the budget that would include the Juneteenth Festival.

Messrs. Speer and Comstock requested approval of item (a).

Ms. Powell noted her concern that two event funding requests are being considered when guidelines are being developed. She requested information regarding how many street fairs and parades take place in San Francisco and how much is funded on an annual basis.

Mr. Kono indicated that at the time consideration of the establishment of an event funding policy was postponed for six weeks for further review, staff had indicated there were a number of pending requests that would be brought before the Commission for consideration in the interim if they met the established criteria.

Mr. Stern noted that it is intended in the future to seek approval from the Board of Supervisors and event funding will be a line item in the budget. He indicated that it is in the best interests of the City to fund these events.

Ms. Schilling noted that making an exception in this case will result in numerous other requests being received before a policy has been determined.

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MS. ONG, AND CARRIED, WITH MR. STERN OPPOSING, THAT CONSIDERATION OF ITEM (a), RESOLUTION NO. 61-94, BE POSTPONED FOR FIVE WEEKS (MAY 17, 1994) WHEN IT IS ANTICIPATED A POLICY FOR EVENT FUNDING WILL BE IN PLACE.

Mr. Rosales arrived at 4:40 p.m. during the discussion on item (a).

- (b) Kent Sims, Deputy Executive Director, Economic Policy, introduced item (b), which requests authorization to amend the Agency's 1991-92 budget, which change would require approval by the Board of Supervisors, to allow the Agency to fund street fairs, events and/or business development contracts with funds allocated for the 24th Street Revitalization Program. An Agency budget amendment was approved by the Board of Supervisors in April 1992 to fund the 24th Street Revitalization Program in an amount of \$1 million for three separate components: \$720,000 for site acquisition, known as CDIF; \$240,000 for small business/working capital loans; and \$40,000 for public space improvements. The

purpose of the CDIF is to assist non-profit organizations in the purchase of vacant or blighted properties on 24th Street for the purpose of commercial revitalization. Two proposals received in response to Requests for Proposals issued by the Agency are non-responsive because they do not meet CDIF requirements. One is from Mission Economic and Cultural Association (MECA) requesting a \$286,932 planning grant for Carnaval '95. The other is from the 24th Street Merchants Association for a \$150,000 three year planning grant for business development services. Since Agency General Counsel has recently determined that 24th Street revitalization funds cannot be expended on anything other than property acquisition, business loans or public space improvements, without amending the Agency's budget, it is proposed to seek approval from the Board of Supervisors to allow funding for projects other than for those purposes, contingent upon projects first being approved by the CDIF Committee and the Citywide Loan Committee. Funding approval is not being requested at this time.

Mr. Sims responded to questions from the Commissioners regarding the program criteria relative to funds not being expended and noted that the proposed policy will vest authority in the Commission, rather than having to go to the Board of Supervisors' Budget Committee for amendments each time.

President Kouba noted for the public record that an apartment building he owns is within 2,500 feet of the last block on the west side of the 24th Street revitalization area. He indicated that it is his personal belief that the revitalization of 24th Street will not have any material financial impact upon the building, which is located at 812 Guerrero Street, and he would therefore continue to participate in discussions and vote on items relating to the 24th Street revitalization area.

Ms. Ong indicated that it appears this item is leading to a request to fund Carnaval '95.

The following persons spoke regarding item (b): Rosa Rivera, 24th Street Association; Ross Worden, Mission Residents United; Al Romo, Glenda Powell and Mark Lammers, Inner Mission Neighbors; Mickey Rosado; Robert Hernandez; and Geraldine Johnson.

A number of speakers noted that the current implementation program should not be changed and that it is inappropriate to utilize funding for parades and street fairs. In addition, jurisdiction of the funds should be under the Commission.

Ms. Johnson requested information regarding the disposition of the \$5 million in economic development funds allocated to the Western Addition and Hunters Point areas, including a loan to Cala Foods.

Mr. Kono indicated that it is already planned to prepare a report, which will address Ms. Johnson's requests, and there will be recommendations on loan programs.

An extensive discussion ensued between the Commissioners and Ms. Rivera regarding: the guidelines for the \$1.8 million Enterprise Zone business loan program; why the 24th Street merchants who need loans do not meet the criteria; and the possibility of changing the mechanism of the CDIF program and the composition of the CDIF Committee. Ms. Rivera noted for the record that the 24th Street Merchants Association has not taken a vote on the issue before the Commission today.

Mr. Kitahata indicated that it is his understanding that this resolution does not address the process or administration of the loan program, but simply changes the criteria of how the money could be used, which at present is for property acquisition, business loans and public space improvements. Now there has been non-conforming requests, specifically for a street fair and business development services from two different groups. The Commission requested staff several months ago for an evaluation of the economic development loan programs, which would address some of Ms. Johnson's questions, as clearly the program has not gone as intended. At this time, the focus should be on the specific item, which requests expanding the criteria.

Following further discussion, Ms. Ong made the following motion:

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED, THAT ITEM (b), RESOLUTION NO. 62-94 BE CONTINUED AND STAFF RETURN IN FOUR WEEKS (MAY 10, 1994) WITH A RESOLUTION, PREPARED IN CONSULTATION WITH THE 24TH STREET COMMUNITY, THAT RECOMMENDS THE FOLLOWING TO THE BOARD OF SUPERVISORS: (1) THE PRESENT IMPLEMENTATION PROGRAM BE KEPT INTACT: PROPERTY ACQUISITION; SMALL BUSINESS LOANS; AND PUBLIC SPACE IMPROVEMENTS; (2) A NEW CDIF COMMITTEE BE APPOINTED/ ENLARGED, IF NECESSARY, AND THAT IT BE MORE REPRESENTATIVE OF THE 24TH STREET COMMUNITY; (3) CRITERIA FOR LOANS AND PROPERTY ACQUISITION MUST BE REVISED TO MEET THE NEEDS OF SMALL BUSINESSES IN THE COMMUNITY AND; (4) JURISDICTION OF THESE FUNDS SHOULD BE UNDER THE AGENCY COMMISSION.

REPORT OF THE PRESIDENT

- (a) President Kouba indicated that he and Mr. Rosales believe it would be in the best interests of the City to designate a survey area in the Mission District with greater geographic boundaries than 24th Street and community input is needed. Furthermore, it is intended to set up more survey and project areas as suggested in the Agency's Strategic Plan.

Mr. Rosales noted that Robert Gamble, Deputy Executive Director, Finance, has been meeting with community groups because of their misconceptions about redevelopment. He indicated there is an opportunity presented to revitalize the Mission and community guidance is important.

Mr. Rosales left the meeting at this time, 6:35 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Robert Gamble, Deputy Executive Director, Finance, reported that a memorandum has been received from the Mayor's Budget Office requesting that a budget be prepared which utilizes no additional tax increment funding. He noted that this request is a result of lack of understanding because a new Budget Analyst has been appointed and there will therefore be the burden of explanation. The Commissioners will be kept advised of developments.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Geraldine Johnson requested an accounting of expenditures for \$5 million in economic development funds allocated to the Hunters Point and Western Addition areas in terms of Black businesses created and business expansions.

Kent Sims, Deputy Executive Director, Economic Policy, indicated that an accounting of the \$5 million would be provided in one week. He further noted that an evaluation of loan programs is underway and an evaluation of neighborhood organizations regarding which a report will be completed by the end of May.

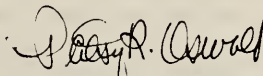
In response to an inquiry from Mr. Stern, Ms. Johnson indicated that street fairs and parades should not be a line item in the Agency's budget and such events should be funded by the Board of Supervisors.

Ms. Ong requested a breakdown on how the \$2 million to Chinatown has been expended.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:05 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

May 17, 1994

MAY 27 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
~~19TH DAY OF APRIL, 1994~~

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of April, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Leslie T. Schilling

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Harold Yee; Joel Lipski, Mayor's Office; Darlene Williams and Daniel Reidy, Housing Conservation and Development Corporation; Kevin Williams, New Bayview Committee; Paula Collins and Phil Aarens, Millennium-WDG Ventures, Inc.; Cathy Simon, Simon Martin-Vegue Winkelstein Moris; Glen Allen, Architect; John Elberling, Yerba Buena Consortium; Supervisor Bierman; Ocie Mae Rogers; and David Levy, Levy & Co. Real Estate.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests approval of amendments to the Agency Purchasing Policy and Procedures. At the April 5, 1994 meeting the Commission accepted the Working Group's recommendations and staff subsequently met with the Working Group in an effort to obtain its concurrence on the amendments to the Purchasing Policy and Procedures. The discussion resulted in amendments being incorporated in the Policy relating to "Definition of Minority Group Persons" and "Thresholds", details of which have been provided to the Commission. As directed, all references to legal services have been removed. The Working Group suggested that it continue to be consulted regarding future changes in the Purchasing Policy and the annual review and revision of goals.

Harold Yee made a presentation on behalf of the Working Group and responded to questions from the Commissioners. He noted that it is recommended all waivers and exceptions be reported to the Commission and public and that emergencies should not be used as an excuse not to utilize minority and woman owned business enterprises (M/WBE's).

In response to an inquiry from Ms. Ong regarding the issue of general contractors being union or non-union, Mr. Yee indicated that legal staff has been requested to research this because the Working Group does not have the expertise.

Mr. King indicated that this matter needs to be discussed separately at a public hearing.

David Madway, Agency General Counsel, indicated that the Agency's affirmative action requirements stand independent of any union or non-union issues. However, the question of the extent to which the Agency could step into the relationship between either a developer and a general contractor or into the relationship between a general contractor and its sub-contractor in circumstances where the general contractor has executed a union only agreement with the Building Trades Council is one that has been referred to outside legal counsel and advice on the subject is expected by the end of the week.

Following further discussion, President Kouba indicated that it was the consensus of the Commission that the union/non-union issue be dealt with separately.

Following an extensive discussion between the Commissioners, Mr. Yee and staff regarding issues that need further review, it was the consensus of the Commission that staff reconvene the Working Group on an as needed basis for consultation. Issues identified that require further consideration included: further discussion with Human Rights Commission staff in an effort to reach joint agreement on definition of minority groups; determine whether there should be a degree of affirmative action within WBE firms; a requirement for WBE firms in terms of ethnicity; tracking and reporting data on awarding contracts to minority firms; bonding requirements; and that staff perform a survey of other public agencies to determine what size thresholds, if any, they use to determine if M/WBE's are economically disadvantaged and report back to the Commission in four months with the results of the survey.

In response to an inquiry from Ms. Ong regarding action taken by the Board of Supervisors on a bonding program, Mr. Graves indicated he would investigate the possibility of the Commission adopting a similar program and report back.

Ms. Ong suggested, and the Commissioners concurred, that with regard to local preference, which relates to the length of time a firm has been in business, that it be six months prior to the

issuance of the RFQ or RFP rather than six months prior to bid opening.

Mr. Graves indicated that this is a continuing process and it is intended to reconvene the Working Group to address issues raised.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

Mr. Rosales and Kevin Williams, New Bayview Committee, requested item (b) be removed from the Consent Agenda and considered as a Regular Agenda item.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meetings, March 15 and 22, 1994; Special Meeting, December 20, 1993; Closed Session Meetings, December 14, 17, 18, 19 and 21, 1993.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

President Kouba indicated that item (e) would now be considered.

- (e) Joel Lipski, Mayor's Office, introduced item (e), which requests authorization of a \$75,000 loan to Housing Conservation and Development Corporation for predevelopment expenses related to the investigation of the feasibility of developing affordable housing at 150 Britton Street as part of the Citywide Tax Increment Housing Program. The loan would be used for expenses related to evaluating the potential for developing affordable housing on the site, which consists of four vacant parcels in Visitation Valley adjacent to Geneva Towers, a 576-unit apartment building built by a for-profit developer in the mid-1960's with FHA mortgage assistance to house very low income families whose rents are subsidized with Section 8 rental assistance by the U.S. Department of Housing and Urban Development (HUD). HUD recently took over control of Geneva Towers and is currently studying alternatives for its renovation or replacement. The 150 Britton site has potential as a replacement housing site and will be considered in the overall plan for redeveloping Geneva Towers. The site's RH-1 zoning would permit the development of up to 53 units or up to 105 units if authorized by the Planning Commission as a Planned Unit Development. Upon authorization of the loan, which has been approved by the City's Affordable Housing Loan Committee, \$18,000 would be disbursed initially for environmental analysis, design/architectural studies, an appraisal and survey

and legal costs. The remainder of the loan would be disbursed only if the site is free of significant toxic-related problems and when there is evidence of sufficient progress toward improving existing neighborhood conditions to make the development of new housing on the site feasible.

Espanola Jackson, District 7 Democratic Club, noted that the Board of Supervisors has held public hearings on the neighboring Sunnydale project and requested action on (e) be postponed for two weeks to permit community input.

Mr. Lipski indicated that this is not a decision to tear the building down but a feasibility investigation, during which there will be an opportunity for community input.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-94 BE ADOPTED.

- (b) Mr. Graves introduced item (b), which requests authorization of a First Amendment to the Land Disposition Agreement (LDA) with Housing Conservation and Development Corporation (HCDC) in connection with the development of affordable housing in the Agency-owned site known as HH-1, located on the southeasterly corner of Kiska Road and Ingalls Avenue in Hunters Point. Pursuant to the LDA, authorized in October 1993, HCDC proposes to construct 38 units of ownership housing affordable to households with incomes up to 85 percent of the area median income. The developer has requested an amendment to the LDA to revise certain mortgagee protections required by Wells Fargo Bank, its construction lender, and to extend the performance schedule for submission of evidence of financing to April 30, 1994 and conveyance of the site to June 15, 1994.

Mr. Lipski introduced Darlene Williams who responded to questions from the Commissioners regarding the project and provided background information on HCDC.

Mr. Rosales inquired as a future policy matter how the situation will be handled when a developer indicates they are going to hire a union or non-union contractor because he would like to encourage a process that is open to all bidders.

David Madway, Agency General Counsel, indicated that until the question of the Agency's right to intervene in an employer/employee relationship is clarified and there is an opinion, discussion on the issue is inappropriate.

Kevin Williams noted his concern regarding the housing not being affordable to local residents and discriminatory redlining against African Americans by Wells Fargo Bank. He further noted his concern that he had been informed that tapes he had requested of an October 1992 meeting of the Bayview/Hunters Point Task Force had been stolen.

Mr. Rosales noted the importance of assisting low income people to secure financing and requested Mr. Graves investigate this for future developments.

Mr. Kitahata noted that the Agency has worked with Wells Fargo as a construction lender for a number of years and it is one of the few banks that has assisted with affordable housing.

Michele Davis, Development Specialist, indicated that many projects have been stalled because of the inability to secure financing, however, this is the second development for which Wells Fargo has provided the construction loan in this area. They will also be doing about 50 percent of the take out loan. To date, this is the Agency's most affordable housing project as the income to qualify goes as low as \$31,000 yearly income to a high of \$46,000.

Daniel Reidy, Attorney for HCDC, gave an overview of HCDC's affirmative action program and provided information on Roberts/Ohbayashi, the project's general contractor. He noted that it is critical the amendment be approved in order to keep the financing commitment in place.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-94 BE ADOPTED.

President Kouba introduced Supervisor Bierman.

- (c) Mr. Graves introduced item (c), a workshop, the purpose of which is for a presentation on the progress of the Basic Concept Drawings for Central Block 2 (CB-2) Entertainment/Retail Center in Yerba Buena Center. In November 1993, Millennium-WDG Ventures Group was selected as the development team for the Entertainment/Retail Center. During the exclusive negotiations period, the developer's architect, Simon Martin-Vegue Winklestein Moris has prepared the basic concept design drawings, which will be calendared for Commission approval at the April 26, 1994 meeting. The drawings are based on the conceptual diagrams that the development group submitted as part of their Request for Qualifications (RFQ) submission. During this initial basic concept design phase, the developer has established the overall development program and tenant requirements. The program provides a mix of retail/entertainment uses consisting of a 15 screen Loews movie theater complex, a large screen IMAX format theater, retail shops consisting of local, minority and women-owned San Francisco retailers, a major book and record stores, restaurants and a Sony Company Center exhibiting their latest products and technology. The architects have taken this development program and developed a basic conceptual design for the project which indicates the essential massing for the building and, in general terms, an initial response to urban design and other architectural considerations. During the past two months, staff has met with the architect and developer to review and comment on the design process. In addition, meetings

have been conducted with community representatives to provide neighborhood input on the project's program and use.

Edmund Ong, Chief of Architecture, made a design presentation.

Glen Allen, architect, described the design concept of the park to be located at the corner of Fourth and Howard Streets.

Paula Collins and Phil Aarens, Developer representatives, made presentations and responded to questions from the Commissioners regarding the program elements.

Cathy Simon introduced the architectural teams, made a presentation on the overall design, and responded to questions from the Commissioners.

Ms. Ong noted her concern regarding the height of the IMAX theater and Supervisor Bierman noted her concern regarding its location.

John Elberling, Yerba Buena Consortium, noted his support of the conceptual approach presented and indicated he would like to see: neighborhood employment; low budget restaurants; discounts at the movie theaters for seniors; and foreign language films. He noted his concern that the City has refused to install a stop light at Minna and Fourth, which would make the road safer for seniors.

Mr. Aarens noted his concurrence that inexpensive restaurants are needed for families and seniors and it is planned to have a good mix of eating establishments.

- (d) Mr. Graves introduced item (d), which requests authorization to: amend the Agency's 1993-94 Budget to reflect receipt of a grant from the Department of Defense, Office of Economic Adjustment; request the Board of Supervisors' (Board) authorization to expend funds from this grant for the purpose of preparing reuse plan for Naval Station Treasure Island and the Hunters Point Naval Shipyard; and to allocate \$490,557 in local funding to the Office of Base Conversion. In December 1993, the Board adopted Resolution No. 439-93 authorizing the Agency to apply for funds from the Office of Economic Adjustment (OEA). In addition, the Board requested that an Office of Base Closure be created within the Agency for purposes of coordinating work in the area of military base conversion for the City and County of San Francisco. The Agency submitted an application to OEA requesting a total of \$1.1 million in funding for positions and project expenses. These positions, to be located within the Agency and Department of City Planning, were to constitute the new Office of Base Closure. Preliminary indication has been received that the application has been approved in an amount of \$910,000, however, formal notification is still pending. Two positions, within the Department of City Planning, were eliminated from the original grant proposal. It is therefore proposed to request \$490,557 be allocated to the Office of Base Conversion for a combination of local match and to fund positions that were eliminated in the

grant request. The matching funds are available from anticipated land sale and lease revenues.

Larry Florin, Manager, Base Closure, responded to questions from the Commissioners regarding the allocation of funds for staffing and contract services.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba indicated he had visited the Williams Building and toured the San Francisco Museum of Modern Art, which is going to be fabulous.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) Robert Gamble, Deputy Executive Director, Finance, indicated that, as requested by the Mayor's Office, an alternative budget has been submitted that contains no increase in tax increment, which has a minimal effect on the City's General Fund. He noted that the alternative budget would result in the elimination of housing and economic development programs and the inability to complete any of the Agency's commitments in existing project areas. The original budget submitted results in a reduction of general fund draw by the Agency of approximately \$2.7 million. The additional reductions resulting from the alternate budget containing no increase in tax increment would result in a further decline of general fund draw of \$1.3 million. It is believed that the adverse programmatic impact of achieving this \$1.3 million reduction far exceeds any benefit from a \$1.3 million general fund requirement. Examples of the impact would be: no City-wide Housing Program, other than HOPWA; very little activity in economic development; and a decline in the staffing level by about half, to about 48 employees.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Rosales indicated he would like to see more Latinos in-house and requested information on outreach efforts to recruit Latino candidates, which Mr. Graves indicated would be provided.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) David Levy, Levy & Co. Real Estate noted that the Holy Cross Church located at Eddy and Divisadero Streets in the Western Addition is for sale and inquired as to the Agency's interest in purchasing the property.

Mr. Graves indicated that staff will investigate and report back.

- (b) In response to an inquiry from Ms. Ong, Mr. Graves indicated that staff is in the process of preparing a response to a letter from Robin Monticelli regarding denial of WBE certification.

President Kouba announced that the meeting would be recessed to a Closed Session pursuant to Government Section 54956.9(a) concerning pending litigation in regard to Independent Housing Services vs. Fillmore Center, et al.

There will also be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property locations and the entities the Agency may negotiate with are:

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

Yerba Buena Centers sites including CB-1 (the Jessie Street Substation) the north side of Mission Street between Third and Fourth Streets, EB-2A, the southeast corner of Third and Mission Streets, and EB-2C, the northwest corner of Third and Howard Streets, for the relocation of the Jewish Museum; Yerba Buena Center.

RECESS

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be recessed to Closed Sessions on Pending Litigation and Real Property Negotiations. The meeting recessed at 7:00 p.m.

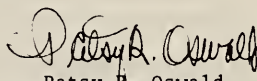
RECONVENED

At this time, 7:47 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Rosales, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:48 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 17, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
26TH DAY OF APRIL, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of April, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Leslie T. Schilling

The President declared that a quorum was present.

Richard T. Kono, Acting Executive Director, and staff members were also present.

Also present were: Paul Fay, III; Michael Meldman and Rony Rolnizky, Hass & Haynie Corporation; Ted Dientsfrey, Mayor's Office of Housing; Alfonso Acampora, Executive Director, and Arturo Carillo, Vice President, Walden House; Andrew Hayes, Walden House; Ray Hing, Nikki Ibarraghris, Tricia Taborn and Mary Du Mont, Walden House graduates; Amanda Feinstein, San Francisco Council on Homeless; Maria Palma, Rainbow Grocery; William Clark, Director of Substance Abuse, Department of Public Health; Fred Snyder; Ron Norlin, Calle 22/Calwatch; Ross Worden, Glenda Powell and James Rigg, Inner Mission Neighbors; Ricardo Noguera, Mission Economic Development Association (MEDA); Victor Vitlin, Vitlin/Ross Properties; Judy West; Gwen Kaplan, Northeast Mission Business Association; Andrew Solow, member, Mayor's Mission Task Force; Martin Swig, San Francisco Auto Center; Arthur Callen, Carl Labi, Kathleen Hodge, Brett Woods, Monique Wilson, Diane J; Darby H. D. Williams, Laton Washington, John Maitland, Eldred Watson, Ric Hart, Felita Jason, Richard Vendiola, Richard Bates, Larry Underwood and Ramond Rodriguez, Walden House, 815 Buena Vista West; Joe Yeams, volunteer for Walden House; Jennifer Hyde; Nick Levinson, MHDC/Walden House; Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage; Kathy Perry, Supporters of Western Addition Cultural Center; Doris Rowe, Go Productions; and Ace Washington, WAPAC.

Representing the press was: Gerald Adams, San Francisco Examiner.

President Kouba announced that a need arose after posting of the agenda on April 22, 1994 to hold a Closed Session regarding Real Property Negotiations.

President Kouba announced that item (c) on the Regular Agenda, approval of the Basic Concept Drawings for the Central Block 2 (CB-2) Entertainment/Retail Center in Yerba Buena Center, would be continued to the meeting of May 3, 1994. A number of meetings for community input did not take place and, because the Commission is concerned that those meetings occur before taking action, this matter will be postponed for one week. If there is anyone that cannot return next week, they will be given an opportunity to testify today.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Closed Sessions: January 11, 18 and 25, 1994.
- (b) Authorizing an Agreement with the University of California, Berkeley, for a work-study intern program.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF CLOSED SESSION MINUTES, AND CONSENT AGENDA ITEM (b), RESOLUTION NO. 67-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) President Kouba introduced item (c), which requests conditional approval of the Basic Concept Drawings for Central Block 2 (CB-2) Entertainment/Retail Center in Yerba Buena Center. This item will be continued for one week to permit further community input. He indicated that the Commission is willing to hear testimony from persons who cannot return next week.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT, TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 68-94, WOULD BE CONTINUED TO THE MEETING OF MAY 3, 1994. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Public Hearing to hear all persons interested in a Land Disposition Agreement for the parcel located at the northeast corner of Fourth and Harrison Streets; Yerba Buena Center.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Helen Sause, Project Director, Yerba Buena Center, introduced item (d), which requests authorization of a Land Disposition Agreement (LDA) with Haas & Haynie Corporation for development of Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. Pursuant to entry into

exclusive negotiations in January 1993, the LDA terms have been concluded. The proposed development consists of 35,000 square feet of retail space, of which 27,500 square feet will be devoted to a full-service supermarket, with approximately 204 residential units above and requisite parking facilities. The site price of \$2.3 million will be paid upon either completion of all LDA preconveyance requirements, in which instance the site price would be due upon conveyance, or the developer may elect to accept conveyance of the site and construct the improvements pursuant to a plan providing for a deferred payment on the site price. In this alternative, the developer would be allowed to accept conveyance of the site and construct the entire development without an executed lease with a supermarket operator, however, a 27,500 square foot shell suitable for occupancy by a full service supermarket with parking facilities must be constructed. The LDA provides for a use restriction covenant for a full-service supermarket for a minimum term of 25 years from the date of issuance of the Agency's Certificate of Completion and that such supermarket use or term cannot be changed without the express approval of the Agency Commission. The performance schedule calls for submission of evidence of financing by September 15, 1994 and conveyance of the site by October 14, 1994.

In response to an inquiry from Mr. King, Ms. Sause indicated that the community has been consulted and agreed to the developer's supermarket proposal.

Paul Fay, III, and Michael Meldman, developer representatives, responded to questions from the Commissioners regarding the project and indicated that it is expected to have a signed lease with a supermarket operator within the next 60 to 90 days. It was noted that negotiations are in process with Food for Less (Cala Foods/Bell Markets), Lucky Stores, Falletti Fine Foods and Real Foods.

Rony Rolnizky, Project Architect, made a design presentation.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-94 BE ADOPTED.

President Kouba indicated that, since item (e) is not scheduled to be heard until 5:00 p.m., the remainder of the agenda would now be considered.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that he, Commissioner Rosales and Mr. Kono met with Mayor Frank Jordan on April 26, the first of a series of monthly meetings. Discussions took place regarding new project initiatives that are under study, the status of key projects, and policy issues that are under consideration by the Commission. The Mayor indicated that he is in favor of the Agency studying potential new survey and project areas and he will be provided with further information at the next meeting. Recommended survey areas are: the Terminal Separator; the Mission District; mid-Market Street; Fisherman's Wharf; and the South Bayshore.

Mr. Rosales indicated that the Mayor was advised that the Commission is considering a policy relating to funding of street fairs and parades and that a request may be made to include event funding as a line item in the Agency's budget. The Mayor was very supportive of new survey/project areas, particularly new survey areas in the Mission and mid-Market. It was a very positive meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a written report of expenditures to date and fund balances of Bayview/Hunters Point, Western Addition, 24th Street, Chinatown, South of Market and India Basin economic development funds.
- (b) It had been anticipated Larry Florin, Project Coordinator, Military Base conversion and community representatives would be travelling to Washington, D.C. with the Mayor to attend hearings on a public benefit corporation for the Presidio. However, due to Congress being in recess, the trip has been postponed.
- (c) Kent Sims, Deputy Executive Director, Economic Policy, reported the status of picketing at the Hunters Point Naval Shipyard by young African-American men to demonstrate the serious need for jobs for local residents. The demonstration resulted from the apparent lack of commitment to local hiring by Navy contractors engaged in the clean-up effort at the Shipyard. Mayor Jordan met with the group and agreed to use his office to attempt to create some immediate job opportunities. The Commissioners will be kept advised of developments.

Mr. Sims responded to questions from the Commissioners regarding the job opportunities proposed by the Mayor's Office and funding allocated for clean-up at the Shipyard.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong noted that she had been contacted by Mark Ryser, Foundation for San Francisco's Architectural Heritage (Foundation), who raised a number of concerns relating to the Federal Emergency Management Agency (FEMA) \$6.8 million funding commitment for retrofitting the Williams Building located at Third and Mission Streets in Yerba Buena Center. The issue is that the Foundation believes the Agency's retrofit program is damaging to the building and could lead to its demolition. They proposed an alternative scheme which they have had difficulty getting the Agency to study because the engineers feel a new design will result in a lengthy delay to repair of the building which must occur as soon as possible due to its hazardous condition. Another concern is that the Foundation is under the impression discussions have been taking place relative to the Jewish Museum using the Jessie Street Substation and they have not been kept apprised of developments, as promised. Furthermore, the Foundation is of the opinion that if FEMA money is to be used to retrofit buildings then it should be spread around the City, not just centered in Yerba Buena Center, and other landmark buildings should be given consideration that are more at risk than the Jessie Street Substation. Ms. Ong noted that she had requested the Foundation to provide the Commission with written information on landmark buildings they are concerned about. She noted that there has been an appeal to FEMA to block the Agency's retrofit program and that the Foundation has indicated if they do not hear from the Agency soon they will re-open the matter up with the Board of Supervisors.

Helen Sause, Project Director, Yerba Buena Center, requested that this matter be formally calendared for discussion and in the interim written background information would be provided to the Commissioners. She noted that a decision by the Jewish Museum anticipated on April 6 was not forthcoming, however, it is expected shortly. The Foundation did lodge an appeal, however, FEMA subsequently authorized the Agency to proceed with the retrofit program which is out to bid now, with bids scheduled to be taken on May 6, 1994. Ms. Sause noted her concern at the inference that it is staff's intention to ultimately demolish the building, which is certainly not the case, and that she would like an opportunity to respond to all issues raised.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage, noted her concern regarding lack of response from staff to her inquiries on the status of Jewish Museum/Jessie Street Substation issue, which makes the preservation community feel shut out of the process. She noted that FEMA is willing to consider a new proposal for the interior scheme for the Williams Building, but only if the Agency proposes it. She indicated that the Council on Historic Preservation is supporting the preservation community's position at this point.

President Kouba indicated that it is the consensus of the Commission that this matter be formally calendared for full discussion in the near future.

Ross Worden, Mission Activist, indicated that after hearing Mrs. Platt speak he has serious reservations about the Agency coming into the historic Mission District because apparently attention is not being paid to the historic needs of other parts of the City. He indicated that the Commission needs to be sensitive to this issue if it is planned to create a redevelopment area in the Mission, otherwise it will not occur.

President Kouba announced that there would be a brief recess. The meeting recessed at 5:00 p.m. and reconvened at 5:10 p.m. with the same roll call.

- (e) Ted Dientsfey, Director, Mayor's Office of Housing, introduced item (e), which requests authorization of an amendment to a Predevelopment Loan to Walden House for the acquisition and rehabilitation of 400-440 Alabama Street for a substance abuse residential treatment and sober housing facility, increasing the loan from \$75,000 to \$329,100. The City and County of San Francisco has received a \$4 million commitment from the U.S. Department of Housing and Urban Development (HUD) for capital costs for a substance abuse residential treatment and sober housing facility for homeless people. Walden House, selected by the San Francisco Department of Public Health to own and operate this facility, has a purchase agreement on an existing warehouse at 400-440 Alabama Street and is working jointly with Mission Housing Corporation, development consultant for the project. At the request of the Mayor's Office, Agency staff assisted in identifying and negotiating sites for the facility. The proposed operating procedures provide for a variety of measures designed to reduce the impact of the development on the neighborhood. The predevelopment loan increase, which has been approved by the Citywide Housing Loan Committee, will provide funding for architectural and engineering services, consultant fees, relocation expenses and administration costs to be incurred prior to obtaining construction and permanent financing. The predevelopment loan will be secured against the property following acquisition and will be structured as a loan that could be repaid from the HUD grant or from additional City funds which will probably be required in order to complete the project. The project's overall funding sources are estimated to be: a HUD special grant, \$4 million; SFRA/MOH housing funds, \$1.5 million; State of California START bonds, \$3.4 million; and low income housing tax credits, \$1 million. The uses are estimated to be: acquisition costs, \$3,010,000; construction/rehabilitation, \$5,115,000; other costs, \$1,565,000; and administrative expenses, \$210,000.

Alfonso Acampora, Executive Director, Walden House, made a presentation and responded to questions from the Commissioners.

The following persons spoke in support of item (e): Arturo Carillo, Vice President, Walden House; Andrew Hayes, Walden House; Ray Hing, Nikki Ibarraghris, Tricia Taborn and Mary Du Mont, Walden House graduates; Amanda Feinstein, San Francisco Council on Homeless; Maria Palma, Rainbow Grocery; and William Clark, Director of Substance Abuse, Department of Public Health.

The speakers noted that the City needs programs like Walden House and, rather than having a negative impact on the neighborhood, the facility will improve it.

Ms. Feinstein indicated that biggest issue seems to be lack of information and there is a need to hold discussions to alleviate concerns.

The following persons spoke in opposition to item (e): Fred Snyder; Ron Norlin, Calle 22/Calwatch; Ross Worden and Glenda Powell, Inner Mission Neighbors; Ricardo Noguera, Mission Economic Development Association (MEDA); Victor Vitlin, Vitlin/Ross Properties; Judy West; Gwen Kaplan, Northeast Mission Business Association; Andrew Solow, member, Mayor's Mission Task Force; and Martin Swig, San Francisco Auto Center.

The speakers indicated that, although they are not opposed to the Walden House program itself, there are concerns regarding: the lack of information and consultation with the community in accordance with agreement reached with the Mayor's Office of Housing and City Planning; there has been misrepresentation regarding the suitability of other sites investigated and an inappropriate site has been selected which raises questions regarding the propriety of the transaction; the high acquisition and rehabilitation costs; the financial viability of the project is questionable; the project does not fit the definition of what is acceptable in an industrial zone and therefore is not consistent with the Master Plan, existing zoning, the actual land use or efforts undertaken over the past two years by community groups in conjunction with the Planning Department to rezone the NEMIZ in order to promote industry and business; the program does not guarantee slots for people in the Mission; the project will not pass muster under the legislative, administrative and other review through which it must pass prior to implementation and is not in accordance with the purpose of the Redevelopment Agency, which is to enhance the tax base and promote economic growth; this is an inappropriate use of public funds; and the facility will have a adverse impact upon the neighborhood.

Mr. Worden noted his concern with the selection of Walden House and requested action be postponed in order to provide an opportunity for the Salvation Army to submit a proposal.

William Clark, Director of Substance Abuse, Department of Public Health (DPH), addressed a number of concerns raised by the speakers. He indicated that Walden House always creates a community advisory group to work out any problems that may arise. To date, three community meetings have been held on this

project. Evidently there are a number of people who just found out about it and efforts will be made to work with them, although they are late in the process at this point. He noted that the Salvation Army had participated in the Request for Proposals (RFP) process, however, they withdrew their bid. With regard to slots for Mission residents, there was a request to guarantee 80 percent which cannot be met, however, there will be slots for Mission residents and employment opportunities for persons in the Mission District. Walden House currently serves a number of clients from the Mission District and it is hoped the presence of this project will result in a significant increase. The project will have vocational training and some commercial opportunities. He noted his concern at unfounded allegations relating to property acquisition because this is a clear real estate transaction and no improprieties have occurred.

Mr. Stern indicated perhaps there is some misunderstanding and pointed out that the predevelopment loan is to provide funding for feasibility studies and does not represent approval of the project. He noted that if the amendment is not approved, nothing will be done and the HUD grant and other funding commitments will be lost. In addition, no matter where in the City it is proposed to locate the project, it will be opposed.

In response to a concern expressed by Ms. Ong regarding the allegations of impropriety, Mr. Dientsfrey indicated that before the building is acquired there must be an appraisal and more than the appraised value cannot be paid.

Ms. Ong inquired if the Mayor's Office of Housing has similar public forums to the Agency to discuss neighborhood concerns and Mr. Dientsfrey indicated that such discussions take place at the City Planning Commission meetings. He responded to further questions from Ms. Ong regarding plans for the Northeast Mission Industrial Zone (NEMIZ), the feasibility of the project and the Mayor's Office of Housing Request for Proposals (RFP) process. He noted that enough work has been put into reviewing sites to believe a facility can be created at this location that will be acceptable even to those who oppose it now. In addition, HUD officials feel the proposed site is an appropriate location.

Ms. Ong indicated that her personal experiences have made her very aware of the need to deal with the homeless problem which exists in every neighborhood in the City and noted her concern at business community opposition to this worthwhile project.

Mr. Kitahata gave background information on the Agency's association with Walden House and noted that this has been a long process involving investigation of many different sites. He indicated there is a need to look at this as an amendment to an existing predevelopment loan and to focus on what the Commission's jurisdiction is on this issue. It is not the land planning aspect because is not a redevelopment project area and so it is under the jurisdiction of the City Planning Commission. It is noteworthy that the Mayor's Office of Housing has

structured this so it is not so exempt from the City Planning Commission as it could be and it will be necessary to go through the conditional land use process. He indicated that at the time the Agency had jurisdiction he testified on behalf of the Commission at City Planning hearings in support of community based plans for the NEMIZ and he did not see action by the Commission today to be contrary to that. If the community convinces City Planning this is not a worthwhile land use then he would be in support. However, what the Commission is being asked to do is look at the economic feasibility of the project and to put money into an appraisal to determine the market value. HUD will not agree to an inflated price and neither will the Agency Commission. This is a good project and basically part of an overall strategy about homelessness. The Agency is not only involved in homeless shelters and affordable housing but also supportive services.

Mr. Rosales indicated that he is torn on this issue because he is very well aware of the great need for Walden House programs in today's society. However, the issue is this neighborhood feels that it is being overlooked in the process of developing a strategy and there is concern with reference to the process for choosing the type of activities within the community for their particular area. The community does not feel it has been a part of the process in developing the plan for this project because they have been working for two years on developing an industrial zone, a zone for businesses only, and to continue business growth in that area. The area is vibrant and growing and the Agency hopes to increase that vibrancy by developing a survey area and, ultimately, a redevelopment project area. The issue of impropriety can be addressed by an appraisal of the property, however, the community feels there have been improprieties because, again, they feel they have not been a part of the process in developing strategies for the area. Another perception is that most of the beds will go to other than Mission residents and so the project will not provide services to people in the neighborhood who really need it. It is suggested action on this item be postponed to provide an opportunity for community meetings to see if some of the concerns can be satisfactorily addressed. If the questions are not answered here, when it moves on to City Planning then there will be a situation where there has to be answers and the project may not go forward.

Mr. King noted his support of the project and his concurrence with Mr. Kitahata's comments. He indicated that Walden House and the Mayor's Office is willing to hold community meetings to try to solve the problems and he believes that the facility will be an asset to the neighborhood.

President Kouba indicated that he empathized with Mr. Rosales' request to postpone this item to permit community input, however, the matter will not be before the City Planning Commission for some time and he would urge all parties involved to use that opportunity to try to resolve their differences.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND CARRIED, WITH MR. ROSALES OPPOSING, THAT RESOLUTION NO. 70-94 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS (Continued)

- (b) Kathy Perry, Supporters of Western Addition Cultural Center (SOWACC), Doris Rowe, Go Productions, and Ace Washington, WAPAC, requested funding support for the Juneteenth Festival.

President Kouba noted that a policy for event funding will be calendared for the May 17, 1994 meeting, following which the Commission will be in a better position to consider such requests.

President Kouba indicated that a need to hold a Closed Session on real property negotiations arose subsequent to posting of the agenda on Friday, April 22, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON APRIL 22, 1994.

The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator on price and terms of payment for the property located located on Central Block 2 in the block bounded by Mission, Fourth and Howard Streets in Yerba Buena Center with Millennium Partners-WDG Ventures, Inc.

RECESS

It was moved by Mr. King, seconded by Mr. Rosales, and unanimously carried that the meeting be recessed to a Closed Session on Real Property Negotiations. The meeting recessed at 7:00 p.m.

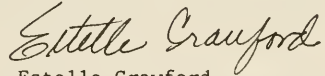
RECONVENED

At this time, 7:31 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Ms. Ong, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:32 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Estelle Crawford".

Estelle Crawford
Acting Agency Secretary

APPROVED

June 14, 1994

JUL 15 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF MAY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of May, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Leslie T. Schilling

The President declared that a quorum was present.

Richard T. Kono, Acting Executive Director, and staff members were also present.

Also present were: Paula Collins and Philip Aarons, Millennium-WDG Ventures Group, Kevin Hart and Cathy Simon, Simon Martin-Vegue Winkelstein Moris; Karen Carr, Museum Parc/South of Market Neighborhood Association; Sue Hestor, Dale Carlson and Calvin Welch, Friends of the Gardens; Michael Simmons, Michael Harris, Lisa Fitts, Geraldine Johnson, Ken Simmons and Gwen Scott, San Francisco Housing Development Corporation; Espanola Jackson, District 7 Democratic Club; Kevin Williams, New Bayview Committee; Willie B. McDowell, also speaking on behalf of Shirley Jones; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Commercial Organizations; and Aurea Luis Carnes, District 7 Democratic Club and People's Earth Day Coalition; Larry Smith and James Orelave, Roberts/Ohbayashi; Charmaine Curtis, Catholic Charities; Millard Larkin, Project Coordinator, Mayor's High Risk Disadvantaged Youth Program; Sy Allen Browning, Southeast Economic Development Group; John Killand, SOH Associates; Mark Ryser and Mrs. Bland Platt, Foundation for San Francisco's Heritage; Mr. Farnham, Architectural Resources Group; Captain Jim White; Francee Covington and Sandra Holland, Francee Covington Productions; Ben Kutnick, Port Commission; Fay Roe; Joel Luebke and Cynthia Christian, Bank of America.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) Helen Sause, Project Director, Yerba Buena Center, introduced item (a), which requests conditional approval of the Basic Concept Drawings for Central Block 2 (CB-2) Entertainment/Retail Center in Yerba Buena Center. At a Commission workshop held on April 19, 1994, Simon Martin-Vegue Winkelstein Moris (SMWM) and Gary Handel and Associates, architects, presented the Basic Concept Drawings which are based upon the overall development program and tenant requirements established by the developer, Millennium-WDG Ventures Group. Subsequent to the workshop, the architects and staff made a presentation to Supervisor Bierman and other members of Friends of the Gardens, including Sue Hestor and Calvin Welch. Major design concerns identified are based on staff review and comments made by a variety of participants at prior meetings, as well as those made at the workshop by the Commissioners and general public, and need to be resolved during the early part of the next work phase. The concerns relate to: the height of the portion of the building containing an IMAX Theater; the building's interface along the perimeter of the site; the overall building massing and form and how the project relates to the existing urban content; the impact of tenant requirements on the specific design of retail spaces and their visual and functional relationship to the more public indoor and outdoor areas; and the physical and visual link between Fourth Street and the Esplanade. Staff will continue to work with the design team to assure compliance with the more detailed specific guidelines for this site. Approval of the Basic Concept Drawings will enable the architects to proceed with the schematic design phase which will develop a more detailed design and address concerns raised.

Edmund Ong, Chief of Architecture, reviewed the major design concerns and indicated staff will continue to monitor the design as it evolves to assure compliance with established guidelines for this site.

Paula Collins and Philip Aarons, representing the development team, indicated that significant efforts will be made to satisfactorily address all concerns raised.

The following persons spoke regarding item (a): Karen Carr, Museum Parc/South of Market Neighborhood Association; Sue Hestor, Dale Carlson and Calvin Welch, Friends of the Gardens.

Ms. Carr requested approval of item (a) and indicated that the area residents are very enthusiastic about the project.

Ms. Hestor noted her concerns: the project is too massive and intrusive on the park; there has been inadequate environmental review; access issues; wind and shadow studies; and the viability of so much retail space because a large shopping mall is proposed across the street from the project. She requested that action be postponed.

Mr. Carlson indicated that he was looking forward to working with Cathy Simon, the architect, however, the proposed design does not warrant approval today and he requested that action be postponed. He noted his concerns regarding the mass and bulk of the building, which has a shadow impact on the Esplanade and that access issues need to be addressed.

Mr. Welch indicated that this a challenging site for the architect and that the entry at Fourth and Mission Streets needs to be redesigned and if the complex is to work it must be pedestrian oriented. The development is too much on too small a site. He requested action be postponed for one week to address concerns raised.

Ms. Sause indicated that conditional approval of the basic concept is being requested, not the design. The design concerns are shared by staff and will be addressed during the next phase. She indicated that she doubted the proposed underground shopping mall mentioned by Ms. Hestor will be approved, however, it would be a different type of retail from the CB-2 retail.

At Ms. Ong's request, Kevin Hart, SMWM, reviewed the wind and shadow aspects. He noted that the IMAX theater does not cast any additional shadow on the Esplanade, but on the building itself, and if it is possible to remove the equipment from the roof of the IMAX theater the height of the building will be reduced by 15 feet.

In response to an inquiry from Mr. Rosales, Mr. Hart indicated that there has been a wind study appropriate to this stage of the conceptual design, however, the model has not yet been tested for a wind tunnel.

Mr. Kitahata indicated that it is important to move the process along and solutions to concerns raised will be brought to the Commission who can approve or reject what is proposed. Approval today is nowhere close to final approval and moves it into the next phase. He noted his concern regarding the rooftop sheds on the fourth floor of the building which look very angular and opaque and perhaps through either design or construction materials something could be done about softening and making the rooftop more transparent.

Following a discussion between the Commissioners, staff and the architect regarding the design concerns, the Commissioners indicated that in the interests of moving the project ahead they were willing to approve the basic concept drawings, subject to the satisfactory resolution of all concerns raised.

Mr. King noted the importance of satisfying the concerns of Friends of the Gardens, and Cathy Simon, SMWM, indicated that the architects are prepared to work with Friends to address their concerns.

Minutes of a Regular Meeting, May 3, 1994

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an amendment of the Indenture of Trust relating to the Redevelopment Agency of the City and County of San Francisco Multifamily Collateralized Housing Revenue Bonds (Cathedral Hill Plaza West Project) 1985 Issue C; Western Addition A-2.
- (b) Authorizing Larry Florin, Project Coordinator, Military Base conversion, to travel to Washington, D.C., for purposes of delivering testimony to Congress on behalf of the City and County of San Francisco.
- (c) Authorizing an extension of the exclusive negotiations with Millennium/WDG Partners for the lease and development of Central Block 2 (CB-2) Entertainment/Retail site in Yerba Buena Gardens; Yerba Buena Center.
- (d) Authorizing the Executive Director to expend \$15,000 in connection with the administration, outreach and orientation of the Martin Luther King, Jr. Civic Committee Korean Scholarship Program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b), (c) AND (d), RESOLUTION NUMBERS 71-94, 72-94, 73-94 AND 74-94, BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned to a meeting of the San Francisco Redevelopment Financing Authority. The meeting adjourned at 5:19 p.m.

RECONVENED

At this time, 5:26 p.m., the meeting reconvened back to the regular session, with the same roll call.

NEW BUSINESS - REGULAR AGENDA

- (e) Public Hearing to hear all persons interested in a Land Disposition Agreement for the parcel located at the south side of Hudson Avenue at Whitney Young Circle; Hunters Point.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Michele Davis, Development Specialist, introduced item (e), which requests authorization of a Land Disposition Agreement with San Francisco Housing Development Corporation (SFHDC) in connection with the development of Parcel DD-2 located on the south side of

Hudson Street at Whitney Young Circle in Hunters Point. Pursuant to exclusive negotiations authorized in October 1991, the developer proposes to construct 28 units of ownership housing affordable to households with incomes below 85 percent of the area median income. Two years prior to authorization of exclusive negotiations, the Commission indicated its intent to reserve this site for SFHDC to undertake its first development venture. The amount of the Agency subsidy includes a land write-down and approximately \$1.55 million in construction and mortgage subsidies. SFHDC, a community-based African-American nonprofit corporation, has been charged with the responsibility of identifying prospective low- and moderate income buyers to purchase homes developed under the Hunters Point Affordable Homeownership Program and has assisted approximately 50 low income households in becoming homeowners in Hunters Point. The performance schedule calls for: submission of evidence of financing by January 4, 1995; conveyance of the site by March 15, 1995; commencement of construction by April 15, 1995, with completion by April 15, 1996.

Michael Simmons, Executive Director, SFHDC, gave an overview of the project and responded to questions from the Commissioners.

The following persons spoke regarding item (e): Espanola Jackson, District 7 Democratic Club; Kevin Williams, New Bayview Committee; Willie B. McDowell, also speaking on behalf of Shirley Jones; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Commercial Organizations; and Aurea Luis Carnes, District 7 Democratic Club.

The speakers indicated that they are not opposed to the development itself, however, there are concerns regarding: the density of the project; the general contractor's affirmative action record; redlining against African Americans by the construction lender, Bank of America; and that the project has not been reviewed by the New Bayview Committee.

Michael Harris, SFHDC, indicated the developer proposes to have Bank of America lend money to people who want to buy affordable housing. The density of the development is at a low level and has open space areas.

Mr. Simmons, SFHDC, offered his apologies to the community and indicated there seems to have been some miscommunication. He noted the community organizations with whom the development has been discussed and indicated that, although several attempts had been made to meet with the New Bayview Committee, this had not occurred, however, it is planned to review the project with the Committee on May 18. In San Francisco the only construction lenders are Bank of America and Wells Fargo and Wells Fargo would not provide financing for the project. The general contractor was selected following a Request for Qualifications (RFQ) process and has the requisite experience as well as the financial capacity and responsiveness to rectify problems, which is important for future homeowners. The developer will be working

with Young Community Developers and Business Development, Inc., which monitors contracts, to assure compliance with affirmative action goals.

Geraldine Johnson, Vice President, SFHDC, noted her concern that the developer has been trying to get this LDA since 1988 and the project is already two months behind the time line. It is acknowledged there must be community support and there has been an opportunity for community input from the beginning. The developer was not aware of community opposition to Roberts/Ohbayashi until after the selection process was over. The contractor must meet affirmative action goals or the contract will be terminated.

Mr. Kitahata inquired if Mr. Simmons is willing to state publicly that he will meet with the New Bayview Committee, and Mr. Simmons responded affirmatively.

MOTION: IT WAS MOVED BY MR. KITAHATA THAT ITEM (e) BE APPROVED ON THE BASIS OF GOOD FAITH EFFORTS BY THE DEVELOPER TO ADDRESS COMMUNITY CONCERNS.

Mr. King indicated that he would prefer the item be continued for three weeks to resolve community concerns and that the project needs the support of the New Bayview Committee.

Mr. Rosales noted his concurrence with Mr. King's suggestion for a derferment because he does not want to see the community divided. Roberts/Ohbayashi does not have a good track record and can return in three weeks with some concrete goals.

PRESIDENT KOUBA DECLARED THAT THE MOTION DIED DUE TO LACK OF A SECOND.

Larry Smith, President, Roberts/Ohbayashi, indicated that the firm has a good reputation for satisfying goals, which can be verified through the Agency and the Human Rights Commission and noted his concern at the statement that Roberts/Ohbayashi does not have a good track record. He indicated a willingness to meet with the community to resolve their concerns.

Mr. Stern noted his agreement for a continuance to avoid later confrontations.

Ms. Ong indicated that many minority contractors are non-union and the fact the Roberts/Ohbayashi requires union sub-contractors causes problems.

Mr. King indicated that the union/non-union issue will be the subject of a public hearing and needs to be discussed separately.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT ITEM (e), RESOLUTION NO. 75-94, BE CONTINUED TO THE MEETING OF MAY 24, 1994 TO PERMIT COMMUNITY INPUT.

Mr. Rosales left the meeting at this time, 6:30 p.m.

- (f) Deborah Drickersen Cortez, Development Specialist, introduced item (f), which requests authorization of the issuance of a Notice of Funding Availability (NOFA) for an amount not to exceed \$4,086,338 in connection with the Housing Opportunities for People with AIDS (HOPWA) Program. The Agency has been administering the HOPWA program for San Francisco since 1992 and previously committed most of the HOPWA funds allocated to San Francisco by the U.S. Department of Housing and Urban Development (HUD) in 1992 and 1993. However, certain projects that did not go forward for various reasons had to return their awards, totalling approximately \$2.45 million, to the HOPWA Program. It is therefore proposed to re-advertise these HOPWA funds in addition to currently uncommitted funds for a total NOFA of \$4,086,338. The NOFA would request proposals for acquisition, rehabilitation and construction projects as well as for related supportive services. The HIV/AIDS Planning Council approved the issuance of the NOFA based on the allocations contained in the HIV/AIDS Housing Plan, endorsed by the Redevelopment and Public Health Commissions and the Planning Council. The allocations are: 70 percent capital funding; 15 percent rental assistance and set aside; and 15 percent for supportive services.

Ms. Ong requested information on the NOFA recipients and Ms. Cortez indicated she would provide the mailing list to Ms. Ong.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-94 BE ADOPTED.

- (g) Philip Williams, Development Specialist, introduced item (g), which requests authorization of deferment of repayment of a \$50,000 Predevelopment Loan with 1101 Howard Street Associates in connection with the development of affordable housing at 1101 Howard Street as part of the Citywide Tax Increment Housing Program. 1101 Howard Street Associates, a California limited partnership, created by Mercy/Charities Housing of California, is currently developing 34 family rental units which will be affordable to households at sixty percent of the area median income. Due to unanticipated project costs of \$105,000 related to having to relocate a wall of an adjacent building, hiring a consultant to monitor the State's prevailing wage requirements and performing additional survey work, the developer has requested the Agency defer a \$50,000 predevelopment loan to cover a portion of the additional development costs. The remaining funding gap would be financed by developer fee proceeds that the developer will receive from the development of other housing projects. The Citywide Housing Loan Committee has approved the request to defer repayment of the predevelopment loan subject to review and approval of the developer's proposed uses of its

restricted developer fee proceeds generated from San Francisco projects.

Mr. Williams introduced Charmaine Curtis, Catholic Charities.

Mr. Rosales returned to the meeting at this time, 6:35 p.m.

Mr. Williams responded to questions from Mr. Kitahata regarding deferment terms and Mr. Kitahata indicated he would like the resolution amended to indicate that if funds are available at the end of the fifteen year partnership period, the partnership shall agree to repay the predevelopment loan principal and accrued interest.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-94, AS AMENDED, BE ADOPTED.

Mr. Kono indicated that Mr. Williams will be leaving the Agency to take a job with BRIDGE Housing Corporation.

MOTION: IT WAS MOVED BY MR. KOUBA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT MR. WILLIAMS BE COMMENDED FOR HIS SERVICES TO THE REDEVELOPMENT AGENCY.

- (h) Millard Larkin, Project Coordinator, Mayor's High Risk Disadvantaged Youth Program, introduced item (h), which requests authorization of an amendment to the Agency's Fiscal Year 1988-89 Budget to allocate \$328,943 to the Mayor's High Risk Disadvantaged Youth Program (Program) and to amend the Agency's Letter Agreement with the Gang Prevention Program of the Mayor's Office of Criminal Justice which operates the Program. Mayor Jordan has requested the Agency to provide additional funding to extend the program to provide new employment opportunities for disadvantaged young men and women from the Bayview/Hunters Point neighborhood. The Agency's 1988-89 budget allocated \$419,500 to establish an India Basin Economic Development Fund to promote business development in the India Basin Industrial Park and at the Bayview Plaza Shopping Mall to serve the economically distressed Bayview/Hunters Point neighborhood. The India Basin Industrial Park Redevelopment Project is nearing completion and approximately 90 percent of the retail space at Bayview Plaza is leased. The unexpended balance of the India Basin Economic Development Fund at this time is \$328,943 which could be used to serve the originally targeted community through a Youth Employment Program. The Commissioners have been provided with a summary of the activities of the India Basin Economic Development Fund through April 27, 1994.

Eila Arbuckle, Director Project Formulation, Economic Planning and Development, indicated she had processed the applications of 25 young men from Bayview/Hunters Point and there is a possibility the Mayor's Office will request the Agency for additional funds for this purpose. The funds will be used to fund 13 jobs for one year or 25 jobs for six months.

Mr. Kitahata indicated that he does not want continuing liability and that only commitments be made commensurate with the amount of money available.

The following persons spoke regarding item (h): Espanola Jackson, District 7 Democratic Club; Harold B. Brooks, Bayview/Hunters Point Association of Community Organizations; and Sy Allen Browning, Southeast Economic Development Group.

The speakers indicated that this is not a permanent solution and when the money runs out there will be an angrier group of people. Concern was noted that 95 percent of the people working at the Hunters Point Shipyard are not local residents and a comprehensive training program is needed in the area.

Mr. Stern indicated that the Mayor and Board of Supervisors could be requested to amend the Agency's budget to provide funding for a year.

Robert Gamble, Deputy Executive Director, Finance, suggested the Commission direct staff to work with the Mayor's Office to identify sources of funding, however, the question is whether this type of program is among the Commission's priorities and perhaps it would be more appropriate to establish an ongoing source of funding in another City department more suited to handle it.

Commissioners King and Ong noted that Executive Director Clifford Graves has had discussions with the Mayor regarding the job situation at Hunters Point Shipyard and it would be appropriate to wait until he returns from vacation to determine the Agency's role in providing additional funding.

Mr. Kitahata indicated he would move the resolution based upon the understanding that staff communicate to the Mayor's Office that this is a remaining balance of funds available in a past budget that can be expended now and it is the desire of the Commission that the Agency's commitments be limited to that amount of money because anything else is speculation.

The Commissioners raised no objection to staff proceeding as outlined by Mr. Kitahata.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-94 BE ADOPTED.

- (i) Mr. Kono introduced item (i), which requests authorization of an amendment to the Agency's 1994-95 Budget to add an Attorney I position. During consideration of the Agency's 1994-95 budget adopted on February 22, 1994, the Commission rejected staff's proposal to add an Attorney I position which was justified by "significant amounts of attorney overtime". The new Executive Director subsequently reviewed projected staff requirements and has concluded that there is an immediate need to add this position to the budget based upon a greatly increased legal work

load to support new and expanded Agency activities. This is justified by cost savings from not hiring law clerks and less use of expensive outside counsel as well as increased efficiency because the senior attorneys would no longer have to undertake elementary legal work and more in-house counsel would be available for program staff.

David Madway, Agency General Counsel, responded to questions from the Commissioners regarding the cost savings that will be derived by filling this position relating to the fact that law clerks will not be hired and less work will be performed by outside counsel.

In response to an inquiry from Mr. Rosales, Mr. Madway indicated that the job will be posted internally and there will be a recruitment process in accordance with Agency policy.

Mr. Rosales indicated that posting for the job needs to be in conformity with affirmative action goals and hopefully it will be filled by a minority person.

Ms. Ong noted her concern regarding use of compensatory time and that on most occasions all three of the Agency's attorneys are present at late evening meetings. She indicated that she felt it is not necessary to have three attorneys present at every meeting and she would question whether their time is being used efficiently. She indicated that massive layoffs are anticipated and there should be more discussion before determining whether an additional attorney is needed.

Mr. Stern indicated that it is preferable to have all the Agency's attorneys present at the meetings so they are updated on all issues which eliminates problems arising if one of them is absent.

Mr. Kitahata indicated that Ms. Ong has raised significant points, but they should be addressed as management issues. The Agency needs a strong legal staff.

Mr. King indicated he would vote in favor of the item but needs to discuss it further with Mr. Graves who made the recommendation.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND CARRIED, WITH MS. ONG OPPOSING, THAT RESOLUTION NO. 79-94 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Helen Sause, Project Director, Yerba Buena Center, indicated that the Commissioners have been provided with written background information regarding the temporary seismic bracing design for the Williams Building located at Third and Mission Streets in Yerba Buena Center and a response to issues raised at the April 26, 1994 Commission meeting.

John Killand, SOH Associates, the Agency's structural engineering consultant, made a presentation and described the bracing scheme proposed by the Agency and an alternative scheme proposed by the Foundation for San Francisco's Architectural Heritage (Foundation). He indicated that in its present condition the building is a public hazard and needs to be either stabilized or demolished as quickly as possible.

Mark Ryser, Foundation for San Francisco's Architectural Heritage, indicated that the Foundation's interest has always been the ultimate retention and rehabilitation of the building as part of the Yerba Buena area. There is \$6.8 million in FEMA funding available and the Agency's scheme will only cost \$1.5 million. The Foundation reluctantly agreed to the Agency's plans that some of the money be spent elsewhere, conditioned upon: the Agency undertaking preventive maintenance on the building to arrest any further deterioration that could occur while waiting for a developer; whatever work is done now not detract, nor make less likely, the retention of the building, but enhance the probability it be kept up and viable; it is felt the Agency should make a binding commitment to ultimately retain the building; and whatever money is not spent on the Williams Building be used for needed historic preservation in the City. It is believed that the current design scheme will increase the probability that in five or ten years when a private developer cannot be found who will deal with the building, the Agency will want it torn down.

Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage, read a letter into the record dated March 2, 1994 from the Advisory Council on Historic Preservation to FEMA requesting the Foundation's alternative bracing scheme be given consideration. She indicated that if the Commission is not willing to consider the Foundation's temporary exterior scheme, she would request that the structural engineers be asked to move the bracing to the face of the building, not blocking windows. She introduced Mr. Farnham, Architectural Resources Group, hired by the Foundation to do the specifications.

President Kouba indicated that the appropriate time to present alternatives to the plan before the Commission would be on May 31, 1994 when it is anticipated action will be taken on a contract for temporary seismic bracing.

President Kouba indicated that he would like a response from Ms. Sause regarding a representation that the scheme proposed by the Agency would deny the Williams Building tax credit investment opportunities for prospective developers because it would damage the historical quality of the building and Ms. Sause indicated she would research this issue.

President Kouba inquired regarding a point raised by Mrs. Platt to consider instead of having cross bracing in front or behind the windows, it be over by the side. Ms. Sause indicated that staff has investigated this matter and will prepare a response.

Minutes of a Regular Meeting, May 3, 1994

In response to an inquiry from Ms. Ong, Mrs. Platt indicated that she will not be in a position to make a written submission regarding other priority landmark buildings until a decision is made on the Jewish Museum/Jessie Street Substation issue.

- (b) Robert Gamble, Deputy Executive Director, Finance, noted that a meeting is scheduled for May 4 with Mayor's Office staff to discuss the possible transfer of a number of Agency positions to the City Planning Department. It is intended to convey that Agency staff are not in the planning business, however, it seems the issue is less serious than when it was initially raised by the Mayor's Office.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong requested a report on use of compensatory time, which Mr. Kono indicated would be provided.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
AGENCY RELATED MATTERS

- (a) Aurea Luis Carnes, People's Earth Day Coalition, indicated that the Commission approved funding of \$80,000 for Earth Day and noted her concern regarding the payment procedures. She alleged that improprieties had occurred which placed the Tides Foundation, fiscal agent for the Coalition, in a very awkward position. She read two letters into the record received from Agency staff.

President Kouba indicated that staff will investigate and report back.

Ms. Ong noted that there needs to be a procedure whereby staff do not write to outside organizations without clearance from the Executive Director.

Ms. Ong inquired regarding the accusations of impropriety and Mr. Kitahata indicated that this is a personnel matter that should not be discussed in public.

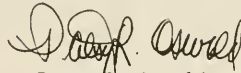
- (b) Captain Jim White noted that he is a concerned citizen of the Haight Ashbury and that there needs to be representation for youth in that area.

Minutes of a Regular Meeting, May 3, 1994

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 12, 1994

7/94
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF MAY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of May, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Cynthia Choy Ong
Leslie T. Schilling
Clarence R. Stern

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and the following was absent:

Gary Kitahata (Arrived 4:45 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: James Jefferson, James Jefferson & Associates; Andrew Hunter, Artspan; Agnes Briones, NIT-AMP/SOMPSC; Lisa Stewart, SOMPSC; Kathy Perry, Harold Brooks, Jr., Genevie Bayon, Ace Washington, Juneteenth Festival; John Elberling, TODCO; Carl Robins; Patricia Vaughny, PADS/WANA; Wayne M. Corn, Western Addition Society; Scott Saulson, African Cultural Center; Naomi Gray, Western Addition Task Force; Raquel Medina NEDO/SEED; Aurea Luis Carnes, People's Earth Day Coalition; Roberto Hernandez, MECA; Jake Pavlosky, Mission Neighborhood Center; Susan Lenney; Lance D. Foster; P. Gunther; Bran Ben-Zekry; Dedy Russel, Asian, Inc.; Malik Rahin; Jeff Branner; Essie Collins; and Sy Allen Browning, SEED Group/CAHEE.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests approval of a Policy governing Agency funding of Street Fairs, Parades and other events. On April 5, 1994 this matter was postponed for for six weeks, pending community participation, resulting in seven community groups being contacted for input. The Commissioners have been provided with a summary of the responses, most of which support or oppose the Agency providing event funding, rather than speaking to the proposed policy. The policy proposes that: the Commission will consider only those requests for event funding that specifically are included in the Agency's budget; funding will only be considered for events that are components of an economic development plan approved by the Commission or a Mayor's

Task Force; a specific event will be funded for no more than three consecutive years; events will be funded on a declining schedule, namely, no more than 75 percent of an event's total verified expenses in the first year, no more than 50 percent of the expenses in the second year, and no more than 25 percent of the expenses in the third year; and beginning with Fiscal Year 1995-96, the Agency will consider funding only those events that have applied for and met the criteria for funding of annual events established by the Grants for the Arts Program of the San Francisco Hotel Tax Fund. The proposed policy also authorizes the Executive Director to identify a source and amount of event funding for Fiscal Year 1994-95 and to amend the Agency's budget to include a line item allocation for event funding. The funds will be allocated using the proposed guidelines, except the requirement to apply for monies from the Hotel Tax Fund since the deadline for applications was February 11, 1994.

The following persons spoke regarding item (a): Genevieve Bayon, Ace Washington, Kathy Perry and Harold Brooks, Jr., Juneteenth Festival; Lisa Stewart, SOMPSC; Andrew Hunter, Artspan; Agnes Briones, NIT-AMP/SOMPSC; Aurea Luis Carnes, People's Earth Day Coalition; Naomi Gray, Western Addition Task Force; Scott Saulson, African Cultural Center; Roberto Hernandez, MECA.

Ms. Bayon, Mr. Washington, Ms. Perry and Mr. Brooks supported the policy and for funding the Juneteenth Festival in the Western Addition A-2. Mr. Hernandez supported the item and noted that tourism is number one in the City and parades and festivals bring in tourists.

Ms. Stewart, Mr. Hunter and Ms. Briones supported the policy and funding of the Sixth Street Fair.

Ms. Carnes supported the policy and funding People's Earth Day.

Ms. Gray supported the policy, but did not want funds to be taken out of the Task Force for this purpose as their mission is to develop and expand businesses in the Fillmore and Western Addition A-2 area.

Ms. Ong noted her concern that the Agency is going in a direction not established before and that it will take away from capital improvements and economic development. The Agency has a limited budget and should not use it to fund single events. Chinatown did have task force support, while Earth Day had split support. She believed there should be a line item in the budget for this purpose that does not affect the economic development program.

Mr. Kitahata arrived at this time 4:45 p.m.

Mr. King noted his support of staff recommendation and indicated that this is the type of community support that the Agency needs and a line item in the budget for this would be preferred.

Mr. Rosales indicated that neighborhoods that have blight and want to develop economic development find that festivals and parades may be the only vehicle to do this. The Agency needs to develop systematic program guidelines to access other funds.

Mr. Kitahata indicated he was troubled by funding parades and reminded staff that the Commission would revisit each request which would be considered on a case by case basis, as such items in the past have not met the criteria.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-94 BE ADOPTED.

- (b) Mr. Graves introduced item (b), which requests authorization of an amendment to the Agency's Fiscal Year 1991-92 Budget, which would require approval by the Board of Supervisors, to allow the Agency to fund street fairs, events and/or business development contracts with funds allocated for the 24th Street Revitalization Program. An Agency budget amendment was approved by the Board of Supervisors in April 1992 to fund the 24th Street Revitalization Program in an amount of \$1 million for three separate components: \$720,000 for site acquisition, known as CDIF; \$240,000 for small business/working capital loans; and \$40,000 for public space improvements. The purpose of the CDIF is to assist non-profit organizations in the purchase of vacant or blighted properties on 24th Street for the purpose of commercial revitalization. To date, one proposal has been funded in an amount of \$150,000 and three proposals have been received in response to a second Request for Proposals (RFP) from: Mission Economic and Cultural Association (MECA) requesting a \$286,932 planning grant for Carnaval '95; the 24th Street Merchants Association for a \$150,000 three year planning grant for business development services; and Mission Neighborhood Center (MNC) for \$250,000, which is a re-submission from when MNC's proposal was declined in 1993. Since Agency General Counsel has recently determined that 24th Street revitalization funds cannot be expended on anything other than property acquisition, business loans or public space improvements, without amending the Agency's budget, it is proposed to seek approval from the Board of Supervisors to allow funding for projects other than for those purposes, contingent upon projects first being approved by the CDIF Committee and the Citywide Loan Committee.

Ms. Ong noted that at the meeting of April 12 a motion was made in reference to these funds, which was a Commission recommendation that the present implementation of the program, as conceived for 24th Street, will remain intact; a new CDIF Committee would be appointed/enlarged, if necessary, and that it would be more representative of the 24th Street community; criteria for loans and property acquisition must be revised to meet the needs of small businesses in the community; and jurisdiction of these funds should be under the Agency Commission. She was not sure how that motion made and passed has been incorporated into this resolution and believed it had not.

Mr. Rosales indicated that resolution, as stated, falls in line with the policy just passed, which states that as long as the community task force has the ability to suggest other methods of using those funds, it will allow 24th Street to be on the same field as the other communities, as right now they do not have flexibility to do parades.

President Kouba indicated he did not believe the April 12 motion to be inconsistent with today's action. The reoccurring issue is whether street fairs can be viewed to be a small business, and testimony from shop owners indicate that it helps their small businesses. So, the Commission is saying to the 24th Street Revitalization Committee that they would like to see their committee enlarged and criteria for loans and property acquisition must be revised to meet the needs of small businesses in the community. That is exactly what is being dealt with right now, should the criteria be changed to allow for specific funding of street fairs and festivals in the 24th Street area, as it is not that way now even though it has been interpreted that way for other communities.

Jake Pavlosky and Roberto Hernandez, members of the 24th Street Revitalization Committee, spoke regarding item (b) and urged adoption of the resolution before the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-94 BE ADOPTED.

- (c) Mr. Graves introduced item (c), which requests authorization to amend the Agency's 1994-95 budget in the amount of \$55,000 for the Western Addition Society's (Society) Second Annual Victorian "Celebration of the Season" to showcase the Western Addition area. During the Agency's 1994-95 budget hearings, Wayne Corn, Steering Committee Chair of the Society, noted concern about the perception of the tourist industry toward the Western Addition neighborhood as reflected in the tourist brochures published by a major credit card company. Funding for the December 1994 "Celebration" was requested at the April 12, 1994 Agency meeting, however, consideration of the matter was postponed while the Commission deliberated the policy issue on event funding. The Society, a non-profit organization comprised of neighborhood merchants, the Victorian Alliance, property owners and community organizations concerned about the economic revitalization of the neighborhood, held its first event in December 1993. Funding was sought through the hotel tax fund, however, the Society did not qualify for assistance due to a requirement that an organization must have two years experience. An informational presentation has been made to the Mayor's Western Addition Economic Development Task Force who took no formal action on the matter.

Wayne Corn and Patricia Vaughny, Western Addition Society, urged adoption of item (c).

Mr. Rosales indicated this is how the policy would work in the future. There would be a line item put on the budget and if

approved then the Agency would administer it. The Mayor has written a letter of support for the Society and therefore should be favor of the budget amendment.

Robert Gamble, Deputy Executive Director, Finance, noted that they had articulated the benefits of this in the context of an economic development program, not necessarily the whole area, but for a portion of the area, and that is what is meant by having an economic base.

Mr. Kitahata indicated that he is in favor of the item, but it does not meet the criteria of the policy, however, it comes closer than many other proposals that have been submitted. This event does have a bearing on actual economic development activity, although it is more preservation of existing businesses than new business generation, which are both important to this project area and the other areas. He believed if the Commission is going to approve this or any part of it, it should be done in the context of an item on the consent agenda, which is authorizing funds for a consultant to put together an economic development plan for the Western Addition. It seems logical that the plan include this activity. It is all part of the Western Addition and should all be considered part of one community-based economic development plan.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

At Mr. Kitahata's request, Consent Agenda item (c) was removed by the Consent Agenda and considered as a regular agenda item.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular meetings, April 5, 12 and 19, 1994; Closed Session meetings, February 1, 4, 8, 15 and 22, 1994.
- (b) Authorizing purchase of Phase I of Agency-wide local area network from Ciber/RNF.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEM (b), RESOLUTION NUMBER 80-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Graves introduced item (c), which requests approval of a Personal Services Contract in an amount not to exceed \$50,000 with James Jefferson & Associates for Economic Development Planning Services in the Western Addition A-2. In February of this year the Agency authorized a Letter Agreement with the Task Force in that area which provided, among other things, that the Agency would contract for the provision of services of an Economic Development Consultant for the Western Addition A-2. Priority was given to revitalization of the Fillmore commercial corridor between Geary and Turk Streets. This contract was advertised and a committee of the Mayor's Western Addition Task Force interviewed a short list of three candidates, selecting James Jefferson & Associates who was also approved by the full Task Force.

Mr. Kitahata indicated he would like to move the resolution as is with an additional expansion of the work program or the scope of services to take into account the Celebration of the Season's Festival and how that is economic development in the Western Addition. It does not exclude looking at other issues such as the Juneteenth Festival.

Essie Collins indicated she would not recommend that this be put in as part of the scope of services with this consultant. It should not be the responsibility of the Task Force to deal with parades and festivals, but with economic development to develop the Fillmore Street corridor and other areas of the Western Addition. Street fairs and parades should be kept separate.

Mr. Graves pointed out that the consultant's activity would appear to be focused on a section of Fillmore Street and Fillmore Center area, an area more limited than the one discussed under item (c), Unfinished Business. He suggested that in the spirit of Mr. Kitahata's suggestion that the consultant be asked if he would consider events such as this in terms of their appropriate place in an economic development program, but stop short of the suggested coordination.

Mr. Jefferson indicated he would not want to be in a position to have to either advise the Task Force on specific proposals that may come before them, but rather to look at an overall economic development plan that would include commercial as well as cultural activities in order to address the total needs of the community, which would fit very well within the parameters of the scope of work before the Commission and would not take any modifications in order to address the issues at that level.

In response to Ms. Ong's inquiry, Mr. Jefferson indicated that the Mayor's African American Economic Development Task Force did come up with a set of recommendations for the \$5 million that was appropriated in 1989. Those recommendations did not receive any review or action by the Board of Supervisors. They were presented

to the Task Force who, in turn, presented it to the Commission, but he did not recall if the Agency took any action.

Ms. Ong indicated she was just concerned that the Agency is not duplicating today what had already been done.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT STAFF WORK WITH THE WESTERN ADDITION TASK FORCE AND JAMES JEFFERSON & ASSOCIATES TO DIRECT THE CONSULTANT'S SCOPE OF SERVICES TO CONSIDER THE AGENCY'S FUNDING OF CELEBRATIONS AND FESTIVALS, SUCH AS THE CELEBRATION OF THE SEASON, IN THE ECONOMIC DEVELOPMENT STRATEGY TO BE DEVELOPED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-94, AS AMENDED, BE ADOPTED.

RECESS

It was moved by Mr. Kitahata, seconded by Mr. King, and unanimously carried that the meeting be recessed to a meeting of the San Francisco Redevelopment Financing Authority. The meeting adjourned at 6:15 p.m.

RECONVENED

At this time, 6:21 p.m., the meeting reconvened with the same roll call.

- (d) Mr. Graves introduced item (d), which requests authorization of the issuance of Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1994, (George R. Moscone Convention Center); the sale of such bonds to the City and County of San Francisco Redevelopment Financing Authority; a Project Lease with the City and County of San Francisco; and authorizing and approving official actions, contracts, documents and other matters in connection with such bond issuance and sale and lease in connection with Yerba Buena Center. The proposed bond issuance is pursuant to a resolution approved by the Board of Supervisors in August 1993 requiring the Agency and the Chief Administrative Officer to develop a plan to finance improvements for the Children's Facilities, the Mexican Museum and the Moscone Convention Center. This lease revenue financing was approved by the Board of Supervisors approximately a month ago. As a result of the necessity for a validation action with regard to these bonds, it is not anticipated they will be issued until the end of the summer. Additional delays may be necessary to accommodate market conditions, however, the current target date for completing the sale is October 1994.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-94 BE ADOPTED.

- (e) Mr. Graves introduced item (e), which requests authorization of the issuance of Redevelopment Agency of the City and County of San Francisco Hotel Tax Revenue Bonds in one or more series to finance

the Children's Facilities on Central Block 3 (CB-3); certain improvements to the Moscone Convention Center; the refunding of Moscone Center Lease Revenue Bonds; and the Mexican Museum; in an amount not to exceed \$100,000,000 and approving related actions in connection with Yerba Buena Center. The bonds will be secured by the hotel tax revenues from hotels within Redevelopment Agency project areas. A similar resolution providing for the issuance of these bonds will be heard by the Budget Committee of the Board of Supervisors on May 18 and by the full Board on May 23, 1994. As a result of a necessity for validation action with regard to these bonds, the sale of of the bonds will not occur until approximately three months after approval.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-94 BE ADOPTED.

- (f) Mr. Graves introduced item (f), a report on evaluation of City-sponsored Loan Programs. Staff completed a review of eleven of the City's twelve sponsored loan programs for business. The analysis does not include the Self Employment and Enterprise Development (SEED) Loan Program, which is a CDBG funded loan pool of approximately \$100,000 to promote micro-business development in San Francisco and is administered by MOCD. He summarized the highlights of the findings and the recommendations for improving the City's business loan program. 75 percent of the loans were made to businesses in five targeted neighborhoods (Bayview/Hunters Point, Chinatown, Mission, South of Market and the Western Addition); the distribution of loans closely tracks the ethnic distribution of population except for Hispanics; large undisbursed balances exist in many of the loan programs; 2/3's of the money set aside for loans is available for lending (nearly \$6 million); only two loan programs have more than 50 percent of their funds invested in active loans, which are Title IX (28 percent available) and 24th Street Facade (19 percent available); record keeping and data collection by City staff needs improvement; 212 loans have been made from 1980 through 3/30/94 (excluding SEED loans) totalling \$7 million; 11 percent of loans defaulted (defaulted loans all made between 1982-1987); of the 115 active loans today, 65 percent are in Title IX and CDBG loan program portfolios; 54 percent of all the loans were made between 1989 and March 1994; loans targeted to five neighborhoods average \$50,591; the largest neighborhood loan was made to a business in the Bayview/Hunters Point neighborhood for \$114,167; two neighborhood loan programs have made no loans since their inception, which are SOMA Facade and Western Addition Loan Guarantee; Asian, Inc. has been the most successful loan packager of the four NEDOS. The other three are MEDA, UEDC AND SOMA. Recommendations for improving the City's business loan programs are: more aggressive marketing of the loan programs; central intake of all applications for City loans; improve communications between SFRA, MOCD and NEDOS; establish routine reporting for City loan staff; establish loan process guidelines for handling applications; standardize loan application forms and application requirements; establish data collection procedures for loan applicants and recipients; and

establish formal mechanisms to track the effects of the City loans.

President Kouba noted it was an excellent report, it raises a lot of questions and should be made available to the City at large, as it goes beyond the Redevelopment Agency. It seems the maze of so many loans programs is a mirror reflection of the maze of City government. He noted that the recommendations do not call for a central administrative agency and perhaps it could be the Redevelopment Agency that could look at all of these loan programs and adopt uniform criteria and guidelines and make them work.

Kent Sims, Deputy Executive Director, Economic Planning and Development, indicated that the loan programs are currently divided between two agencies, Redevelopment and the Mayor's Office of Community Development (MOCD), although more than two agencies play a role in the process. Staff purposely did not address recommendations on consolidation within the government because it was felt as a staff report that was not the Agency's role. This report has been prepared in close cooperation and in conjunction with MOCD and could not have been prepared without their full participation. Record keeping has not been at its best. Most of the time has been spent in pulling together the data base of the loans. The key attribute of the loan programs is complexity and the reason there is such difficulty in loaning out the funds is this complexity. It is a three-layer system: City bureaucracy, Neighborhood Economic Development Corporations, who are the packagers, and then Neighborhood Task Forces, which provide community benefit advice. There is good reasons why each of these elements were put in place in the past and continue to serve admirable missions in the loan program, but it is a nightmare to get the paper work and approval completed. The recommendations are relevant among the participants of this process and they are seen as an improvement.

Mr. Graves noted that it is planned to distribute this document to the various parties involved and make it available to the public and then conduct a workshop.

Raquel Medina, MEDA and Chair of NEDO SEED Committee, and 24th Street Revitalization Committee, recommended that this document be reviewed and considered carefully and that it include the NEDO SEED Committee, who has been packaging loans for many years.

Mr. Kitahata recommended that this report be forwarded to Kelly Cayton in the CAO's Office who is the Loan Program Manager for the Seismic Safety Program that has just been capitalized in the amount of \$35 million. One issue is a global question on whether the Agency should be in the loan business at all and should there be a public lending process? Is access to capital the most critical success factor in the type of business the Agency wants to be developed or should the money be spent in other ways to get the same goals, such as incubator and technical assistance, equity funds, a bonding program for construction projects and other alternatives that could be considered. There needs to be a more

critical analysis of the existing system's technical assistance, as for example a consultant was hired for 24th Street to help package loans, which was a problem, but the problem did not get fixed and he requested staff critique that situation.

Mr. Rosales inquired why the only group not tracked was Hispanics and Mr. Sims indicated that they are tracked, but under-represented as recipients of loans and there was no data on successful applicants, which is why a data base would be helpful in tracking.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that a letter from Mayor Jordan had been received dated May 9, 1994 requesting the Commission to assist in planning a new neighborhood based around the Terminal Separator area and the Transbay Terminal, which includes consideration of extending Caltrans to Market Street. This is in line with the ideas the Commission has been pursuing recently about creating new survey and project areas. The Mayor has invited the Agency to step in and be a lead player in creating a new neighborhood. The only way to do a new survey area is to work in consultation with the communities that make up these areas. The Executive Director has been consulting with people in the Terminal Separator area and there appears to be enthusiasm in the community for the Agency to study the matter. Staff will be working in conjunction with other City Departments, but implementation will be done by the Agency and the Agency accepts the Mayor's invitation.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) Larry Florin, Manager, Base Closure, indicated that the City has accepted a \$902,000 grant from the Department of Defense, Office of Economic Adjustment. The Agency's budget amendment for this amount will be before the full Board of Supervisors on May 23.
- (b) In response to an inquiry from Mr. Rosales, Mr. Graves indicated that the Port is pursuing the possibility of becoming a party in at least the operation, if not the planning, for the long term use of Treasure Island. The Agency will be following up with the Port who may have a role in the long term management of Treasure Island, as there is probably a role for the Agency in the planning and development of Treasure Island.
- (c) Mr. Florin noted that he traveled to Washington, D.C. last week to testify on behalf of two pieces of legislation regarding the Presidio. Mayor Jordan was received favorably and testified on behalf of Congresswoman Pelosi and Senator Feinstein's bill. It will be interesting to follow this if the Agency proceeds with a similar type of public benefit corporation or non-profit for the Hunters Point Shipyard.

- (d) Mr. Graves indicated that as a result of a demonstration outside the Hunters Point Shipyard the Mayor has undertaken a major program to generate some immediate jobs and long term job prospects in the Bayview/Hunters Point area. Twenty-five jobs have been identified and people are now working in those jobs.

Kent Sims, Deputy Executive Director, Economic Planning and Development, noted that there are twenty-five jobs available immediately and there is a current inventory of 260 jobs available in the next two months. James Richardson of the Human Rights Commission is working with Tony Lincoln of the Mayor's Office on this. Staff generated about 40 of those jobs. The 260 jobs do not include the Dry Dock #4 operation to start in six months, which will produce 100-200 jobs in the community. The Board of Supervisors passed a resolution creating a specific Request for Qualifications to design a program for young African American males who have the highest unemployment rate in the City.

- (e) Mr. Graves indicated that the Agency had advertised for the first phase of South Beach Park. Start of construction is expected in August with completion in the Spring of 1995. This is a \$3 million project. There will be a Letter Agreement with the Department of Public Works to administer the contract for the Agency.
- (f) Mr. Graves noted a request has been received by the Agency for 16th Street to become a Redevelopment Survey Area.

Mr. Rosales inquired if the area could be expanded and Mr. Graves indicated that if 16th Street is designated a survey area in the future it could be enlarged.

- (g) The Land Use Committee of the Board of Supervisors will meet on May 19 to consider resolutions urging the Agency retain and rehabilitate the Williams Building in Yerba Buena Center. The hearing will be covered and staff will report back.
- (h) Groundbreaking ceremonies will be held for Candlestick View in Hunters Point on May 25 by the Housing Conservation Development Corporation who is developing 38 units of housing on that site.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Schilling indicated she had received a letter from May Louie and inquired if it would be on the agenda in the future.

Mr. Graves indicated he would investigate and report back.

- (b) Mr. Rosales requested an analysis on the consultant for the 24th Street Revitalization Committee.
- (c) At President Kouba's request, Robert Gamble, Deputy Executive Director, Finance, gave a full report on the progress of the Agency's 1994-95 budget.

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator on price and terms of payment concerning Site F-1, the property located at the southwesterly corner of Byrant and Delancey Streets in Rincon Point-South Beach with Rincon Point Development Company.

RECESS

It was moved by Mr. Stern, seconded by Ms. Schilling, and unanimously carried that the meeting be recessed to a Closed Session on Real Property Negotiations. The meeting recessed at 7:33 p.m.

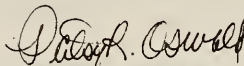
RECONVENED

At this time, 8:06 p.m. the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Ms. Schilling, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:07 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

August 16, 1994

JUN 27 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MAY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of May, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

None

The President declared that a quorum was present.

Richard T. Kono, Acting Executive Director, and staff members were also present.

Also present were: Michael Simmons, Lisa Fitts, Gwen Scott, Cydney Hill and Geraldine Johnson, San Francisco Housing Development Corporation; Aurea Luis Carnes, New Bayview Committee; Darryl Bishop; Olin Webb; Larry Smith, Roberts/Ohbayashi; David Banlman, Mark Ryser and Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage; Willie B. McDowell; Dan Shapiro, SOH Associates; Dominic Chu; and Harold B. Brooks, Jr.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for the parcel located on the south side of Hudson Avenue at Whitney Young Circle; Hunters Point.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Michele Davis, Development Specialist, introduced item (a), which requests authorization of a Land Disposition Agreement (LDA) with San Francisco Housing Development Corporation (SFHDC) for the development of Site DD-2 located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point. Pursuant to exclusive negotiations authorized in October 1991, the developer proposes to construct 28 units of ownership housing affordable to households with incomes below 85 percent of the area median

income. The amount of Agency subsidy includes a land write-down and approximately \$1.55 million in construction and mortgage subsidies. On May 3, 1994 staff recommended approval of the LDA, however, the Commission requested that SFHDC meet with the New Bayview Committee prior to Commission action to give them an opportunity to consider the developer's proposal. SFHDC made a presentation to the New Bayview Committee on May 18, 1994 who voted against the project by an approximate vote of 24 to 2. A representative from Roberts/Ohbayashi, the developer's general contractor, is here to respond to questions.

The following persons spoke in support of item (a): Michael Simmons and Geraldine Johnson, SFHDC; and Darryl Bishop.

Mr. Simmons indicated that every effort had been made to respond to community concerns, however, the New Bayview Committee voted against the project.

Mr. Bishop noted his support of Roberts/Ohbayashi as the general contractor and indicated that the firm has worked in good faith with contractors in the community.

Ms. Johnson indicated SFHDC is not a for-profit developer and will be making only approximately \$2,000 on each unit. She noted that community meetings regarding the project have been taking place since 1989.

The following person spoke in opposition to item (a): Aurea Luis Carnes, New Bayview Committee.

Ms. Carnes noted that there was a vote of no confidence by the New Bayview Committee because the project will not benefit the community and requested action be postponed and a new contractor hired.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. King noted his support of this item because the developer did go to the community and it is hoped the concerns can be resolved. This project is providing the lowest cost housing that can be obtained and should not be delayed any further.

Ms. Ong indicated she would like a person in the Agency's Housing Division to assist with the project and Mr. Kono indicated that Ms. Davis has been assigned to monitor the project.

In response to an inquiry from Mr. Rosales, Ms. Davis indicated that the President of Roberts/Ohbayashi had addressed the New Bayview Committee, however, there were several differences of opinion. The contractor has indicated that there will be compliance with U.S. Department of Housing and Urban Development (HUD) and Agency affirmative action requirements.

In response to an inquiry from Mr. Rosales regarding the contractor's past performance, Mr. Kono gave a breakdown of Roberts/Ohbayashi's affirmative action program at the Morgan Heights development and Ben Hattem, Agency Affirmative Action Officer, gave a breakdown by craft.

Mr. Stern noted that there is a lot of unemployment in the construction industry and projects need to go forward that will create job opportunities.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-94 BE ADOPTED.

NEW BUSINESS

- (a) James Nybakken, Administrative Services Officer, introduced item (a), which requests authorization of revisions to the vacation accrual provisions of the Agency's Personnel Policy. The proposed changes will bring the vacation accrual policies into conformity with the Agency's new payroll system and are essentially neutral for both the employer and employee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba noted he, Executive Director Clifford Graves and Robert Gamble, Deputy Executive Director, Finance, met with Mayor Jordan to discuss the Agency's budget and Mr. Gamble will be making a full report. The next regular monthly meeting with the Mayor is scheduled for May 26.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a letter dated May 23, 1994 from Supervisor Maher and accompanying resolution urging that the work proposed for the Williams Building be consistent with the retention and rehabilitation called for in the agreement signed by the City in 1984.

William Nakamura, Chief Engineering and Rehabilitation, summarized staff informational memorandum dated May 20, 1994, recommending an interior temporary seismic bracing system for the Williams Building, located at Third and Mission Streets in Yerba Buena Center, as opposed to an exterior bracing system proposed by the Foundation for San Francisco's Architectural Heritage. and responded to questions from the Commissioners.

In response to an inquiry from President Kouba, Mr. Kono indicated that action on the contract award will be scheduled for June 7 or 14, 1994.

Helen Sause, Project Director, Yerba Buena Center, responded to questions from the Commissioners and noted that Supervisor Maher has been advised that the Agency fully intends to comply with the 1984 agreement and the Secretary of the Interior's standards for historic preservation.

In response to an inquiry from Ms. Ong, Ms. Sause indicated that staff does not believe that an interior bracing scheme will be more damaging to the building than an exterior scheme, which would be more costly.

In response to an inquiry from Ms. Ong, Mark Ryser, Foundation for San Francisco's Architectural Heritage, indicated that the Bush Street Synagogue would not be eligible for any balance of Federal Management Emergency Agency (FEMA) monies not expended on the Williams Building because it is not a unreinforced masonry building.

President Kouba noted that persons wishing to speak regarding the Williams Building would be heard under item 8 on the agenda.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) David Banlman, Mark Ryser and Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage, noted their concerns regarding the Agency's proposed interior bracing scheme and requested consideration be given to an alternate exterior bracing scheme, which will be less destructive to the building.

President Kouba requested the concerns be submitted in writing. He further requested that all relevant correspondence and a copy of the Secretary of the Interior's standards referenced by Mrs. Platt be provided to the Commission.

Mr. Nakamura introduced Dan Shapiro, SOH Associates, the Agency's structural engineering consultant, who responded to questions from the Commissioners regarding the Agency's interior bracing scheme.

At Ms. Ong's request, Dominic Chu, engineering consultant for Heritage, described the exterior bracing scheme proposed by Heritage.

Mr. Kitahata indicated he would like the contract award scheduled for action as soon as possible because public safety is involved and there is a public responsibility to reinforce other buildings. He requested that in the interim written documentation be provided focusing on cost and time factors.

Mr. Kono indicated he would confer with the Executive Director regarding calendaring this item.

Mr. Rosales noted his inclination to support staff recommendation because costs are important and no matter which scheme is used, the bracing will ultimately be removed.

Ms. Ong indicated that besides costs and extended time, preservation needs to be given consideration and facts provided about why the interior bracing scheme will be damaging to the building. If an expenditure of \$3 million will preserve the building more effectively this issue should be fully explained and documented.

REPORT OF THE EXECUTIVE DIRECTOR (CONTINUED)

- (b) On May 25 at 11:00 a.m. groundbreaking ceremonies will be held for San Francisco Housing Development Corporation's Candlestick View development at Kiska Road and Whitney Young Circle. This is a 38 unit project for ownership housing affordable to households with annual incomes ranging from a low of \$31,000 to a high of \$46,000.
- (c) On May 23, 1994, the Board of Supervisors passed the Transient Occupancy Tax and the Redevelopment Hotel Tax Bonds, which will be used to secure funding for the Children's Center, the Mexican Museum and the Moscone Convention Center.
- (d) On May 23, 1994, the Board of Supervisors amended the Agency's budget to reflect receiving \$910,744 for base conversion activities and a resolution urging the Agency to enter into a mutually agreeable contract with a California non-profit corporation being formed for the Hunters Point Naval Shipyard.
- (e) On May 25, 1994, the Board of Supervisors authorized the Agency to apply to the U.S. Department of Housing and Urban Development (HUD) for designation as a Federal Empowerment Zone or Enterprise Community.
- (f) Robert Gamble, Deputy Executive Director, Finance, reported on changes made to the Agency's budget by the Mayor's Office. He indicated that the Mayor's Budget Director expressed an intent to merge the Mayor's Office of Housing with the Agency. He further noted that Supervisor Hsieh introduced legislation urging the Agency to make the Caltrain Station a redevelopment project area.

A discussion ensued between the Commissioners and Mr. Gamble regarding the proposed merger of housing divisions, during which Mr. Gamble indicated that Ted Dientsfrey, Director, Mayor's Office of Housing, supports the merger. He also noted concerns raised by Calvin Welch, Council of Community Housing Organizations (CCHO) on this issue.

Further discussion ensued between the Commissioners and Mr. Gamble regarding potential new project areas and the use of Golden Gateway tax increment.

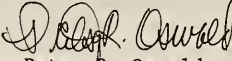
COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Ong requested a similar report on compensatory time to the report prepared for vacation accrual and President Kouba asked she put her questions in writing so staff can respond.

ADJOURNMENT

It was moved by Ms. Ong, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

June 14, 1994

JUL 15 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
31ST DAY OF MAY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of May, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Leslie T. Schilling
Clarence R. Stern

and the following was absent:

Gary Kitahata (Arrived 4:25 p.m.)
Cynthia Choy Ong

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: James Reuben and George Broder, Patrick Media Group; Kathy Perry, Supporters of the Western Addition Cultural Center (SOWACC); Ace Washington; Randall Evans; and Redmond Kernan, Hampshire Properties.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Nominating Jon Henry Kouba, President of the San Francisco Redevelopment Agency Commission, as the Redevelopment Agency's Representative on the Mayor's HIV Health Services Planning Council.
- (b) Authorization for reimbursement to the Mayor's Office for travel expenses in the amount of \$2,109.55 incurred for base conversion hearings in Washington, D.C.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 85-94 AND 86-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Graves introduced item (c), the purpose of which is for a presentation by Patrick Media Group, Inc. regarding the development of Site F-1 in Rincon Point-South Beach. A protest has been made by the Patrick Media Group, through its attorney, James A. Reuben, regarding the selection of a developer for Site F-1 where Patrick Media has leased the Agency-owned billboard since 1986. The Commissioners have been provided with correspondence exchanges on this subject indicating that staff believes it acted appropriately in soliciting developer proposals for Site F-1 and had no reason to notify Patrick Media of the offering. Since the current Redevelopment Plan does not permit a billboard use, the Plan would have to be amended to permit this use and a Plan Amendment would require a finding by the City Planning Commission that the amendment is in conformity with the City's Master Plan. In reviewing the City's Master Plan and the Planning Code, staff is of the opinion that such a finding could not be made. Staff therefore believes that the protest is not justified and current efforts should continue in negotiating a development agreement with the Rincon Point Development Group.

James Reuben and George Broder made presentations on behalf of the Patrick Media Group and responded to questions from the Commissioners. Concern was noted that the tenant was not notified of plans to develop the site and that the Request for Qualifications and Request for Proposals state "The sign must be removed by the successful developer and outdoor advertising signs are not allowed on the site". Mr. Reuben requested staff be directed to hold further discussions in efforts to reach a satisfactory solution.

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT STAFF REVIEW THIS MATTER FURTHER AND RETURN TO THE COMMISSION WITH A RECOMMENDATION.

Mr. Graves indicated that staff will hold further discussions with Patrick Media Group representatives and provide the Commission with an analysis and recommendation in four weeks time (June 28, 1994).

David Madway, Agency General Counsel, indicated that it would be appropriate to discuss this matter in Closed Session because threatened litigation is involved.

Mr. Kitahata arrived at this time, 4:25 p.m.

- (d) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (d), which requests authorization of an extension of Exclusive Negotiations, until July 13, 1994, with Rincon Point Development Company for the development of Site F-1 located at the southwest corner of Bryant and Delancey Streets in Rincon Point-South Beach. Subsequent to authorization of exclusive negotiations in March 1994, it became necessary to modify the original development concept as a result of geotechnical studies

and the developer is seeking confirmation that the revised development concept is acceptable to the Agency before proceeding with schematic drawings. During the selection process, there was much discussion regarding the feasibility of wood-frame over concrete base design submitted by this developer, however, geotechnical and structural data obtained has led the developer to conclude that the original concept is not economically viable. In looking for a feasible alternative, the developer evaluated the 15 percent density bonus provided under the Redevelopment Plan for including low and/or moderate income units within developments. Originally 24 units were proposed in accordance with the basic density limits of the Redevelopment Plan to stay within the 50 foot wood-frame height limit, however, conclusions drawn from the geotechnical studies now make the additional unit count critical to the economic feasibility of the project. The developer has evaluated the feasibility of adding 4 units, 3 of which would be affordable in accordance with guidelines established in connection with the density bonus provisions. Various first time home buyer programs have been investigated and the developer believes the additional foundation cost can be absorbed, the \$500,000 price for the site retained and 3 of the 28 units sold at affordable prices without any Agency subsidies. The 65 foot height required to incorporate the revised 28 unit scheme will necessitate a change in building type to all concrete structure. The Agency's 40 percent housing requirement was waived for this site, given its inherent difficulties, however, both developers were advised prior to submitting their proposals of the Redevelopment Plan provisions which would allow the Agency to grant a density bonus of 15 percent for the provision of low or moderate income units. Although neither developer elected to pursue that option at the time of the original proposals, staff believes it may be appropriate to grant the bonus to enable the development of this difficult site to move forward. The requested extension will provide time for staff to evaluate the revised proposal and make an appropriate recommendation to the Commission.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-94 BE ADOPTED.

- (e) Shirley Wysinger, Project Coordinator, Western Addition A-2, introduced item (e), which requests authorization of a Personal Services Contract in an amount of \$50,000 with the Supporters of the Western Addition Cultural Center (SOWACC) for the purpose of sponsoring the "Juneteenth Festival", June 18 and 19, 1994, on Fillmore Street in the Western Addition A-2. On May 17, 1994, the Commission adopted a policy governing the Agency's funding of street fairs, parades and other events and it has been determined that SOWACC's proposal meets the criteria for allocation of funds established by that policy. Although the policy does not apply until the 1995-96 budget year, funds are available in a prior year's Agency budget. It is believed this event will change perceptions about the Western Addition and in the long term encourage more people to come to the area, thereby contributing to the economic vitality of the community.

Mr. Rosales noted that the Agency's event funding policy, which takes effect July 1, 1994, has a three maximum three year funding limit on a declining schedule. He indicated that there is no certainty that in the future events can continue to be funded and his concern upon looking at the budget is that in the future the event cannot be sustained.

Kathy Perry, SOWACC, indicated that the marketing concept and fundraising sources are being reviewed. In addition, it is planned to network with other programs. She noted that it is not proposed to request Agency funding for future Juneteenth Festivals.

Ace Washington and Randall Evans requested approval of item (e) and emphasized the significance of the Juneteenth Festival to the community.

Mr. Kitahata indicated that, although he is not opposed to the Juneteenth Festival itself, he has a concern relative to the concept of the Agency funding parades and street fairs when its role is to assist in long term economic development. He indicated this is an exception to the policy to be adopted on July 1, 1994, and there is no funding available for any future events except the Victorian "Celebration of the Season", which is a budget line item. Although the policy has a three year declining schedule, there is no commitment to fund for second and third years unless it is in the budget and funding is not in the budget.

Mr. King noted his concurrence with Mr. Kitahata's comments on the concept of the Agency funding events, which would be more appropriately funded by the City, the Hotel Tax Fund or the Arts Commission. However, because the Western Addition community was destroyed by the Agency, it needs to be looked at differently from other communities, and funds should be included in the budget.

Ms. Schilling indicated that the Commission is not trying to shirk its responsibility to the Western Addition and it is a question of whether it is a good use of economic development funds. There has been testimony by members of the community who do not believe event funding is a good use because it is short term money. She indicated that this is not to say this particular Juneteenth Festival should not be funded, but in future years the Commission will need to consider all factors.

Mr. Stern indicated that next year the Juneteenth Festival will be a budget item and at that time the entire community should lobby the Board of Supervisors in support of funding for the 1995 Juneteenth Festival.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. ROSALES, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT RESOLUTION NO. 88-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba reported he had attended the regular monthly meeting with Mayor Jordan. Also in attendance were Commissioners Rosales and Kitahata and Executive Director Graves. The focus of the meeting was on potential new survey and redevelopment project areas, including the Terminal Separator, Transbay Terminal and the Caltrain extension to Market and Beale Streets. The Mayor wants the Agency to take the lead in making the Caltrain Station first a survey area and then, dependent upon community studies, it would become a project area. Immediately prior to the meeting, information was received that the 24th Street Revitalization Committee has expressed an interest in 24th Street becoming a survey area and inquired if there had been confirmation.

Mr. Graves indicated that there has only been verbal confirmation and written confirmation has been requested.

Mr. Rosales indicated that the event funding policy had been discussed in a budgetary context with the Mayor who is pleased there is a policy in place. Other potential survey areas discussed were 24th Street, 16th Street and mid-Market.

Mr. Graves noted he had indicated a willingness to the 24th Street Revitalization Committee and Supervisor Shelley's Office to meet with Committee and he would report back to the Commission on June 14, 1994 when the Commission is scheduled to consider the 16th Street study. He further indicated that the idea of event funding being a budget line item was not enthusiastically received by the Mayor and Jim Wunderman, the Mayor's Chief of Staff, because of a concern it might result in more proposals being received and the question is whether in the long term the Agency should be involved.

President Kouba noted that the Mayor is very interested in the Terminal Separator being a survey area and it should be a first priority.

Mr. Kitahata noted that Mr. Wunderman had indicated that the Agency potentially has a lot to do at one time and there is a need to focus on priorities. Mr. Kitahata indicated he would like staff to focus on an agenda that ranks projects as "front burner", first and second tier projects, etc. so it does not appear the Agency is trying to do everything at once.

In response to an inquiry from Mr. Stern, David Madway, Agency General Counsel, indicated that a survey area resolution would not contain any time limit itself but there is a statutory process leading to the establishment of a redevelopment project area that takes a minimum of a year. It is a very elaborate process designed to provide and promote public input at every stage. As a matter of law there is nothing that requires a survey area become a project area, so the Commission has options.

Mr. Graves indicated he believed Mr. Wunderman's concern was the perception that the Agency is moving too aggressively in too many directions. It is important for the Commission and the public to reach a consensus as to where the Agency is going and which are "front burner" and "back burner" projects.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) On May 31, a resolution was before the Board of Supervisors urging the Redevelopment Agency to: retain the Williams Building; ensure that temporary work does not reduce the feasibility of future rehabilitation, create a program to assist the seismic retrofit of architecturally/historically significant masonry buildings; and to demonstrate good faith to the 1984 Agreement between the Federal Government and the City and County of San Francisco. The item was continued for six weeks to permit an opportunity for the Agency and the Foundation for San Francisco's Architectural Heritage to settle this matter amicably. The Commissioners will be kept advised of developments.
- (b) Also on the Board calendar on May 31 was a resolution urging the Mayor to request the Redevelopment Agency of the City and County of San Francisco to prepare actions necessary to include the site of a relocated Caltrain Station in a Redevelopment Survey Area and to begin planning for a Redevelopment Project Area. The matter was referred to Committee. There are interested groups who wish to participate in the process.
- (c) Mr. Graves indicated that the Mayor's budget will be presented to the Board of Supervisors' Budget Committee on June 1, 1994 and noted the most recent changes made to the Agency's budget by the Mayor's Office. A tentative decision to merge the Mayor's Office of Housing with the Agency's Housing Division has been withdrawn, however, the Mayor has requested discussions be held with the Mayor's Office of Housing to see if a merger is feasible.

In response to an inquiry from Mr. Rosales regarding the elimination of the Attorney I position, Robert Gamble, Deputy Executive Director, Finance, indicated that the question was the position itself so he believed funding in the budget for law clerk positions the Attorney I position would have replaced should still be there. However, he would check and report back.

Mr. Graves indicated that the Commissioners will be provided with a copy of the Mayor's budget as soon as it is available.

- (d) Larry Florin, Manager, Base Conversion, reported the status on negotiations regarding a non-profit corporation to manage the Hunters Point Shipyard and responded to questions from the Commissioners.

Mr. Kitahata noted his concern about the lack of a track record of a potential non-profit manager and Mr. Florin reviewed the steps that being taken to address this issue.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Rosales, Mr. Graves indicated the Construction Manager for the Children's Place in Yerba Buena Center will act as an agent for the Agency in managing the complex construction project and oversee contractors and sub-contractors.
- (b) In response to an inquiry from Mr. Stern, Shirley Wysinger, Project Coordinator, Hunters Point/India Basin/Western Addition A-2, indicated that the Commissioners will be provided with written status report on the acquisition of Caltrans parcels in the Hayes Valley area.
- (c) In response to an inquiry from Mr. Kitahata, Mr. Graves indicated that the initial draft on land use options at the Hunters Points Point Shipyard is currently being circulated to the community for input. It will be provided to the Commission and a brief presentation will be made at the June 14, 1994 meeting. The report will be reviewed by the City Planning Commission and there has been an initial discussion regarding the possibility of a joint hearing of the City Planning and Redevelopment Agency Commissions when there is community input.
- (d) In response to an inquiry from Mr. Kitahata, Helen Sause, Project Director, Yerba Buena Center, indicated that it is planned to calendar action on the development proposals for Parcel EB-2C in Yerba Buena Center for June 28, 1994.

PERSONS WISHING TO ADDRESS THE MEMBERS AND NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Redmond Kernan, Hampshire Properties, noted his concern regarding the time lapse since December 22, 1993, the deadline for submission of proposals. He expressed the hope that Hampshire Properties' proposal will be favorably received.

In response to an inquiry from Ms. Schilling, Helen Sause, Project Director, Yerba Buena Center, indicated that there has been a delay because of the Jessie Street Substation/Jewish Museum issue. However, since it appears there will not be a quick decision, staff is in the process of finalizing review of the proposals. She noted that the Jewish Museum is very interested in the Jessie Street Substation as a location for the Museum and has analyzed the site and costs as well as fundraising capacity. It appears they will be requesting approximately \$2.3 million of surplus Federal Emergency Management Agency (FEMA) funds not expended to retrofit the Williams Building in Yerba Buena Center.

Minutes of a Regular Meeting, May 31, 1994

Mr. Graves noted that developers were asked to submit proposals with or without Jewish Museum space, so it is possible to review the proposals even if the Jessie Street Substation issue has not resolved.

In response to an inquiry from Mr. Kitahata, Ms. Sause indicated that the contract award for stabilization of the Williams Building will be calendared for June 14, 1994.

COMMISSIONERS' QUESTIONS AND MATTERS (Continued)

- (f) In response to an inquiry from Mr. Rosales, Mr. Graves indicated that a response will be made to a letter dated May 18, 1994 from African American Contractors of San Francisco, which raises legitimate concerns, and the Commissioners will be kept advised of developments.

President Kouba announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator on price and terms of payment. Property locations and entities the Agency may negotiate with are:

portion of the block bounded by 10th, 11th, Market and Mission Streets with Bank of America, NTSA; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

RECESS

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Union Negotiations. The meeting recessed at 5:30 p.m.

RECONVENED

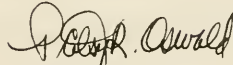
At this time, 6:20 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

Minutes of a Regular Meeting, May 31, 1994

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:21 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

July 12, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JUNE, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 3:00 o'clock p.m. on the 14th day of June, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Jon Henry Kouba, President
- Manuel A. Rosales, Vice President
- Leroy King
- Gary Kitahata
- Leslie T. Schilling

and the following were absent:

- Cynthia Choy Ong
- Clarence R. Stern (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Stewart Morton, Mark Ryser and Mrs. Bland Platt, Foundation for San Francisco's Architectural Heritage; William Kostora; Jean Kortum; Anne Bloomfield, Victorian Alliance; David Aldape; Anita Correa; Sonia Gray; Ellen Gavin, Cherrie Moraga; Cathy Arellano, Sauda Burch, Xochipala Maes Valdez, Rebekah Eisenberg and Ana Rubinstein, BRAVA; Richardo Noguera, Mission Economic Development Association (MEDA) speaking for Al Ribaya, Mission Business Association; Fred Synder, Property Owner; Judy West; Vince Vivay, Serena Taylor and Yvette Gomez, Drama DIVAS; James Sweeney, Youth for Service; Jeff Jones, San Francisco Arts Democratic Club; Wilmer Bonet, Latina Theatre LAB; John Elberling, TODCO; Daniel Hernandez; Rosa Rivera; 24th Street; Vincent Marsh; Jon Kiland and Steve Lau, SOH Associates; Peter and Paul Thompson, West Bay Builders, Inc.; Paula Collins and Philip Aarons, Millennium-WDG Ventures Group; Cathy Simon, George Hargreaves and Gary Heindel, Simon-Martin-Vegue Winkelstein Moris; Sonya Beasley, Young Community Developers; Gordon Matthews, Yerba Buena West; and Mike Mahoney.

Representing the press was: Gerald Adams, San Francisco Examiner.

Commissioners King and Schilling inquired regarding the appropriateness of voting on minutes of meetings they had not attended and David Madway, Agency General Counsel, indicated that this is not an issue because the minutes list Commissioners that are absent.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meetings, April 26 & May 24, 1994; Closed Session Meetings: March 1, 18, 15 & 22; April 5, 19 & 26; and May 17, 1994.
- (b) Authorizing a Letter Agreement to provide the services of an employee in connection with the Agency's administration of the Mayor's Office of Special Projects.
- (c) Authorizing a First Amendment to the Sedway & Associates Personal Services Contract to augment the approved budget by \$4,000 to reflect the addition of Chinatown to the San Francisco Enterprise Community Application.
- (d) Authorizing the issuance of a Request for Proposals in an amount not to exceed \$150,000 for technical assistance services to nonprofit organizations funded under the Housing Opportunities for Persons with AIDS Program.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (b), (c) AND (d), RESOLUTION NUMBERS 89-94, 90-94 AND 91-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Graves introduced item (e), which requests authorization of Exclusive Negotiation, until August 1, 1995, with Asian, Inc. for the development of affordable housing on the property located on the northerly portion of 980 Howard Street in the South of Market. The only proposal submitted in response to a Request for Qualifications (RFQ) issued on March 8, 1994, was from Asian, Inc., a non-profit developer that has been involved in the development of affordable housing since 1978. The developer proposes to construct 30 affordable rental units, primarily for elderly and low income households. Staff has evaluated Asian Inc.'s qualifications and recommends they be designated to develop the site.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-94 BE ADOPTED.

- (f) Mr. Graves introduced item (f), which requests authorization to award Contract TB No. 1 to West Bay Builders, Inc., in an amount not to exceed \$1,544,600, for the Temporary Seismic Bracing of the Williams Building in Yerba Buena Center. The Williams Building, which was severely damaged during the October 1989 earthquake, was red-tagged by the City and immediately vacated.

In November 1993, the Federal Emergency Management Agency (FEMA) committed funding of \$6.8 million for temporary internal seismic bracing of the building with any unexpended funds to be used for an approved alternate project, which is yet to be determined. The temporary internal steel bracing system has been approved by the State Office of Historic Preservation and is the system based upon which FEMA approved the funding. Upon approval of the FEMA funding, staff directed its structural engineering consultant, SOH Associates, to proceed with design immediately. Three months later, when plans were substantially complete, the Foundation for San Francisco's Architectural Heritage (Heritage) advised staff of their preference for an external bracing scheme versus the Agency's internal bracing scheme and there has been an ongoing debate since that time. Staff believes there is a difference of opinion that cannot be totally resolved within an acceptable time frame for a number of reasons, which include: the building presents a hazard to the public and must be repaired as soon as possible; the Agency carries a great liability while the building remains in its present damaged condition; there is a need to comply with a Hazard Abatement Order issued by the City; the internal bracing system has all the required approvals; and FEMA has indicated they would not authorize funding for an external bracing system which costs \$3.5 million. Following extensive advertising, six bids were submitted ranging from a high \$2,070,000 to a low of \$1,544,600 from West Bay Builders, Inc., the lowest responsive bidder. The firm has recently satisfactorily completed a number of projects in San Francisco and staff finds its affirmative action and safety programs acceptable.

In response to an inquiry from President Kouba, William Nakamura, Chief, Engineering and Rehabilitation, indicated that it should not be difficult to dismantle the stairways and store them inside the building for use in the future.

President Kouba indicated that the Commissioners have been provided with relevant correspondence, including a letter dated June 9, 1994, from Mrs. Bland Platt, and are well aware of the historic preservation community's position, however, it is desired to move forward because of the hazardous condition of the building.

Mr. Nakamura noted that FEMA has indicated they will not pay \$3.5 million unless it is for permanent restoration of the building and if new plans are submitted it would take FEMA two to four months to review those plans for historic preservation purposes.

The following spoke in opposition to item (f) and in support of the external bracing scheme proposed by Heritage; Stewart Morton and Mark Ryser, Heritage; William Kostora; Jean Kortum; and Anne Bloomfield, Victorian Alliance.

Mr. Ryser reiterated the reasons why the historic preservation community opposes the Agency's temporary bracing scheme.

Mr. Graves indicated that the Agency is not looking at permanent preservation of the building at this time, but to stabilize it until it can be permanently restored. He read into the record testimony delivered by Dan Shapiro, SOH Associates, the Agency's Engineering Consultant, at the August 24, 1993 meeting regarding the hazardous condition of the building and recommended the Commission approve the contract with the understanding that staff will continue to meet with the preservation community to try to address their concerns.

Ms. Schilling inquired regarding a concern expressed by Mr. Ryser about lack of cooperation from staff and Mr. Graves indicated he had met with Mr. Ryser and pledged the Agency's cooperation.

Following an extensive discussion between the Commissioners and staff regarding issues raised by the historic preservation community, Mr. Kitahata made the following motion:

MOTION: IT WAS MOVED BY MR. KITAHATA THAT THE RESOLUTION BE AMENDED TO DIRECT STAFF TO WORK WITH THE INTERESTED PARTIES IN THE HISTORIC PRESERVATION COMMUNITY TO MAKE SUCH ALTERNATIONS IN THE SEISMIC BRACING PROCESS AS WOULD BE PRACTICABLE TO SAFEGUARD BOTH HISTORIC PRESERVATION AND ECONOMIC FEASIBILITY CONCERNS, BUT IN NO CASE SHALL THERE BE ANY UNDUE DELAY IN THE SEISMIC BRACING OF THE BUILDING.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-94, AS AMENDED, BE ADOPTED.

- (g) Mr. Graves introduced item (g), which requests authorization to request the Board of Supervisors to designate the North Mission as a redevelopment survey area pursuant to California Community Redevelopment Law and to amend the Agency's 1994-95 budget to support community organizing and other activities necessary to develop an action plan for the area. A group of North Mission citizens has been meeting over the past year to develop an approach to solving community problems and to encourage long term economic development. These discussions have been convened by the BRAVA theater group, which is also searching for space in the area. The group has concluded that unless an agenda articulated by the citizens is aggressively pursued, continued deterioration in the neighborhood will occur. Major concerns relate to abandoned buildings and storefronts, crime and safety on the streets, development of new jobs and job training, particularly for youth, and cultural enhancement of the area. The Group has met with the Mayor's Office, the Agency and other City departments in an effort to develop an approach to addressing these problems. BRAVA has formally requested that legislation declaring a survey area be developed by the Agency and submitted to the Board of Supervisors. BRAVA has further requested Agency funding to assist in community organizing efforts in the Northeast Mission/16th Street corridor and to find a new location for its activities at an estimated cost of \$50,000. Financing

for the Agency's efforts during the survey process would be from non-tax increment sources from existing project areas and there is not a large amount of money available. If the community proceeds with a project area, the tax increment created by the activities and improvements in the project area will become available as a source of funding.

The following persons spoke in support of item (g): David Aldape; Anita Correa; Sonia Gray; Ellen Gavin, Cherrie Moraga; Cathy Arellano, Sauda Burch and Xochipala Maes Valdez, BRAVA; Ricardo Noguera, Mission Economic Development Association (MEDA) speaking for Al Ribaya, Mission Business Association; Fred Synder, Property Owner; Judy West; Vince Vivay, Serena Taylor and Yvette Gomez, Drama DIVAS; James Sweeney, Youth for Service; Jeff Jones, San Francisco Arts Democratic Club; and Wilmer Bonet, Latina Theatre LAB.

Mr. Stern arrived at 4:10 p.m. during the speaker presentations.

The speakers noted their support of BRAVA's proposal to permanently locate in the Mission and indicated that any plan developed must be a community-based plan.

Mr. Noguera indicated that it is time to revisit the issue of a development survey area in the Mission and suggested concentrating on the business corridors surrounding 16th and 24th Streets.

Ms. West indicated she supports the fight against bioscience only in the Northeast Mission Industrial Zone (NEMIZ) and economic issues need to be addressed.

Mr. Graves indicated that staff is not in a position to suggest boundaries at this time, however, it is hoped to make a recommendation at the June 28, 1994 meeting.

Mr. Kitahata indicated that with regard to bringing the City's bioscience proposal back into the NEMIZ, this Commission is on record as supporting the community based plan for the NEMIZ and the same support also extends to whatever plans result from this effort, so it would have to be a community based plan to go forward. He indicated he believed it would be appropriate to start with a modest sized district focusing around 16th Street and a portion of the NEMIZ or all of it.

Mr. Rosales indicated he was pleased to see so much Community participation and there are a lot of positive changes underway for the Mission. What this can do is be a focus of the whole group on what the Mission can become and it gives the community the ability to sit down and discuss what can be accomplished. It is important that tourists are not discouraged from visiting the area so they can see the culture and diversity the area offers. This will be the community's plan and the boundary should be something manageable. Interest has been expressed by groups in a

survey area extending north-south from 15th Street to Army Street and east-west from Potrero Avenue to Dolores Street.

Mr. Stern also noted his pleasure at the presence of this unified group and indicated the the Mission is ideally suited to be revitalized. It has the advantages of having Victorian buildings, good weather, and close proximity to down town.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-94 BE ADOPTED.

- (h) Mr. Graves introduced item (h), a workshop, the purpose of which is for a presentation of the Schematic Design Drawings for the Central Block 2 (CB-2) Entertainment/Retail Center in Yerba Buena Center. At the April 26, 1994 meeting, the Commission conditionally approved the Basic Concept Design Drawings. A number of concerns raised related to: the overall building massing and form and how the project related to the existing urban context; the height of the portion of the building containing the IMAX theater; development of a strong physical and visual link between Mission and Fourth Street and the Esplanade; the building's design expression and interaction with the pedestrian, particularly along Mission and Fourth Streets and the Esplanade edge; tenant requirements and allocations to understand the relationship of the building design to various public spaces and pedestrian movements and to the public interaction with the entertainment and retail uses. On several occasions during the past month, staff met with Simon-Martin-Vegue Winkelstein Moris (SMWM), the developer's architect and the developer, Millennium-WDG Ventures Group, to review and provide preliminary comments on the design in progress. To obtain local input into the project design, meetings were also conducted with community representatives, including members of Friends of the Gardens. The Schematic Design represents responses and proposed solutions developed by the architect to Basic Concept Design concerns raised and approval of the Schematic Design Drawings is currently calendared for Commission action on June 28, 1994.

Paula Collins and Philip Aarons made presentations on behalf of the developer.

Cathy Simon, George Hargreaves and Gary Heindel, architects, made a design presentation, including slides, and responded to questions from the Commissioners.

Mr. Kitahata commended the architects on the design process, which addresses most of his concerns, particularly pedestrian access. He indicated his only remaining design concern is the design of the restaurant roof shed and that he would like the rooftop to have a more transparent appearance.

Mr. Rosales indicated his concurrence with Mr. Kitahata that the architects are to be commended for addressing concerns raised and noted that it is obvious they have been working closely with the community.

John Elberling, TODCO, noted that there has been a great improvement in the design since the last presentation, however, in terms of overall style of the building he would still hope to see more of a gardens building. In addition, he would like to see more design studies on the roof top, which at present is too small and there should be a more general roof for public access. A direct route is needed that is very visible and is convenient to access from the terrace level.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that he and Mr. Graves recently had a very constructive meeting with Supervisor Hsieh at which a number of items were discussed. The Supervisor was very supportive of the Agency involving itself in the Transbay Terminal/Terminal Separator area in terms of a potential redevelopment project area.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) The Agency's budget is scheduled for review by the Budget Committee of the Board of Supervisors next week and no major issues have been raised yet.
- (a) A good hearing was held on the Hunters Point Shipyard land use alternatives with Supervisor Shelley's Committee.
- (c) The City Planning Department coordinated a very successful workshop on Treasure Island planning which was attended by Commissioners Kouba and Kitahata.
- (d) On June 9, 1994, the City Planning Department conducted a public hearing on the "South Bayshore Proposal for Citizen Review" and the Commissioners have been provided with an informational memorandum on this subject.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Rosales, Mr. Graves indicated that there has not been any private support for the City's enterprise zone applications yet, however, several local foundations have indicated a willingness to consider specific funding requests to implement the initiatives identified in the neighborhood strategic plans. He also noted that cooperation from the affected communities has been very positive, notwithstanding the error that occurred in verifying the eligibility of the affected communities for the application.
- (b) Mr. Rosales requested he be kept apprised of developments relating to the Hunt Lane/Natoma Street issue because merchants are concerned about pedestrian access.

- (c) In response to an inquiry from Mr. Stern, Richard Kono, Acting Senior Deputy Executive Director, indicated that staff is in the process of preparing a report on Caltrans parcels in Hayes Valley. The City Planning Department has completed its reuse study of the entire corridor both within the redevelopment area and outside. The process is now being held up because there needs to be a transportation study to verify that transportation corridor is no longer needed and it appears the study will take approximately a year. Once that study is completed, the Agency will exercise its power as a State agency to be one of the first to acquire property, other than the State Bar Association which has the first priority as a State agency.

President Kouba announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. Property locations and entities the Agency may negotiate with are:

southwest corner of Delancey and Bryant Streets, Site F-1, in Rincon Point-South Beach with Rincon Point Development Company; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also be a Closed Session pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The party threatening to initiate litigation is Patrick Media regarding Site F-1 in Rincon Point-South Beach.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

RECESS

It was moved by Mr. King, seconded by Ms. Schilling, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations, Threatened Litigation and Union Negotiations. The meeting recessed at 5:55 p.m.

RECONVENED

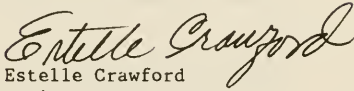
At this time, 6:42 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

Minutes of a Regular Meeting, June 14, 1994

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:43 p.m.

Respectfully submitted,


Estelle Crawford
Acting Agency Secretary

APPROVED

July 12, 1994

AUG 10 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
21ST DAY OF JUNE, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of June, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Manuel A. Rosales, Vice President
Cynthia Choy Ong
Leslie T. Schilling (Arrived 4:30 p.m.)

The President declared that a quorum was present.

Richard T. Kono, Acting Executive Director, and staff members were also present.

Also present were: Cynthia Durham, Supporters of the Western Addition Cultural Center (SOWACC); Dick Wilson, Woolf House Residents Association; Shirley Bierly, Senior Power Office; Scott Goering, Sixth Street Merchants & Residents Association; Raymond Colmenar, South of Market Problem Solving Council; John Elberling, TODCO; Michael Abel, Property Owner in the Harrison/Fourth Street corridor; Mitch Fine, Property Owner, 774 Harrison Street; Robert Meyers, City Planning Consultant to Pacific Bell; Flora Caragay and Yan Lee, Woolf House; and Kevin Hardiman, Pacific Bell.

President Kouba noted that Ms. Ong is in Korea in connection with scholarships awarded to five San Francisco African-American college students at Yonsei University, Seoul, Korea.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Cynthia Durham, Supporters of the Western Addition Cultural Center (SOWACC), made a presentation on the Juneteenth Festival and expressed appreciation to the Commission for approving funding for what proved to be a very successful event.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment and other related matters for Yerba Buena Center Redevelopment Project Area; Yerba Buena Center.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Thomas Conrad, Chief, Planning & Programming, introduced item (a), which relates to the proposed Eighth Redevelopment Plan Amendment for the Yerba Buena Center Redevelopment Project Area and involves the following Commission actions: (1) approving the Addendum to the Report on the Redevelopment Plan Amendment and authorizing its transmittal to the Board of Supervisors for its information; (2) approving the Mitigation and Monitoring and Reporting Program for the Yerba Buena Center Redevelopment Project Area; (3) approving the Addendum to the Yerba Buena Center Subsequent Final Environmental Impact Report for the Supermarket/Housing Site (SB-2, Parcel H); (4) Adopting Environmental Findings and Statement of overriding considerations made pursuant to the California Environmental Quality Act and State Guidelines in connection with the proposed Redevelopment Plan Amendment and changes to the Scope of Development for the Central Blocks Development; (5) approving the proposed Redevelopment Plan Amendment for the Yerba Buena Center Project Area and authorizing transmittal to the Board of Supervisors for its consideration; (6) authorizing transmittal of the proposed Redevelopment Plan Amendment to the City Planning Commission for its Report and Recommendation; and (7) approving the Design for Development for the Yerba Buena Center Redevelopment Project Area and authorizing its transmittal to the City Planning Commission for its consideration. The proposed amendment would adapt the existing Redevelopment Plan, where appropriate, with relevant sections of the current City Planning Code. In addition it would extend the time for eminent domain proceedings and increase the amount of tax increment dollars which may be allocated to the Agency. Also included in the Amendment are statutory requirements relating to time limitations for incurring debt, performing redevelopment activities, and receipt of tax increment to repay debt, which must be adopted prior to the end of 1994.

The following persons spoke regarding item (a): Dick Wilson, Woolf House Residents Association; Shirley Bierly, Senior Power Office; Scott Goering, Sixth Street Merchants & Residents Association; Raymond Colmenar, South of Market Problem Solving Council; John Elberling, TODCO; Michael Abel, Property Owner in the Harrison/Fourth Street corridor; Mitch Fine, Property Owner, 774 Harrison Street; and Robert Meyers, City Planning Consultant to Pacific Bell.

Mr. Wilson and Ms. Bierly noted their support of the Plan Amendment, specifically the paragraph that precludes night

entertainment in the area, and requested confirmation that a dance hall is not a permitted use.

Mr. Conrad responded that a dance hall is not a permitted use.

Messrs. Goering, Colmenar and Elberling requested that the Amendment include a fiscal merger with the South of Market Earthquake Recovery Redevelopment Project Area so that future tax increments can be used in the South of Market and inclusion of a requirement for a jobs program that targets neighborhood residents, particularly youth.

Mr. Abel raised a number of concerns as a property and business owner, including: down zoning of his property; eminent domain being extended; and that property he had purchased in good faith at fair market price could be taken away.

Mr. Fine noted his concern that there has been insufficient time to review the proposed Plan Amendment and requested a continuance in order to determine how it affects his business.

Mr. Meyers requested changes to the height limit, floor area ratio (FAR) on East Block 3 and that transference of development rights be permitted to be used City-wide.

Ms. Schilling arrived at 4:30 p.m. during the speaker presentations.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Conrad indicated that a fiscal merger could not legally be accomplished without noticing the property owners in the South of Market because it affects the South of Market Earthquake Recovery Redevelopment Plan for that area. However, the Commission could postpone action and instruct staff to pursue this issue.

David Madway, Agency General Counsel, indicated that the question is whether the Commission is prepared to deal with the issue of a project merger now or consider it as a separate issue.

President Kouba indicated that it appears this matter should be continued for two weeks to review the issues raised in more depth.

Mr. Madway indicated that a continuance would give staff an opportunity to respond to issues raised and noted that property owners were noticed thirty days ago about this hearing.

President Kouba left the meeting at this time, 5:05 p.m.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT MR. KING BE ELECTED TEMPORARY PRESIDENT.

Helen Sause, Project Director, Yerba Buena Center, noted that jobs programs have been mandated in Land Disposition Agreements, but not in redevelopment plans because any changes involve an extensive hearing process which would make it difficult to address changing needs.

Mr. Kitahata indicated that the redevelopment plan could include on a policy basis that the Commission commits to supporting jobs programs.

Mr. Madway indicated that he did not see a problem with a general statement regarding jobs programs, but nothing should be stated specifically because laws change constantly and it would be unfortunate to lock something in that would take a year to change.

Mr. Kitahata noted that the fiscal merger has implications about which projects to merge at the same time and staff needs to look at the merger issue separately. He requested staff review all merger issues and report back.

A discussion ensued between Mr. Kitahata and Mr. Conrad regarding transference of development rights being permitted City-wide.

David Madway, Agency General Counsel, noted that the Agency's zoning power derives from Community Redevelopment Law and the City's zoning power derives from an entirely different legal foundation and it is not believed it would be possible to blend rights created under the City Planning Code with the Agency's separately based zoning power.

Mr. Kitahata suggested perhaps there could be an explicit cooperative agreement between the City and the Agency regarding the transfer of development rights and Mr. Madway indicated he would research this issue.

Mr. Kitahata noted that this whole issue of transferable development rights is the creation of an economic market and he would like to see as large a market as possible, which means looking at the City-wide benefit as opposed to only a project area and if this item is continued he would like staff to investigate and see if it is technically possible to have a policy applicable throughout the City.

Commissioners King and Stern noted their concurrence with Mr. Kitahata's view point that the transferable development rights should be looked at on a City-wide basis and cover as broad a market as possible.

Ms. Schilling inquired regarding a concern raised by a speaker regarding eminent domain and Mr. Conrad indicated that the Agency has no intent or plans to use eminent domain but just wants to have the ability to exercise it for two more years.

Mr. Madway noted that to invoke eminent domain involves a very elaborate process and the Commission has to adopt a resolution of

necessity. He noted that there is an explicit procedure in the Community Redevelopment Law that, in essence, protects a property owner against eminent domain by the expiration of a time period after which, if the Agency fails to purchase the property, it cannot use eminent domain in the future.

Ms. Schilling suggested the property owners discuss their concerns with staff and return to the Commission if they encounter further problems.

Mr. Kitahata inquired regarding staff recommendation of a 40 foot height limit and the statement by a speaker that there is an existing 80 foot building. Mr. Conrad responded that there is an existing 80 foot building facing the freeway. The City adopted a 40 foot height limit in the South of Market rezoning study, however, they did provide some relief for the provision of low and moderate income housing up to 85 feet so the idea was if more affordable units are to be concentrated in the area, there could be a return to the high profile. Mr. Kitahata said he would like to be consistent with the City and if there is an existing 80 foot use and a prospective 80 foot use at least for the area that fronts the freeway, it would make sense for that area to have its own regulations as opposed to the entire South of Market. Mr. Conrad indicated that this is a good point and staff will look again at the whole profile to see whether it might be logical to have the height the same all along Harrison Street.

Following an extensive discussion between the Commissioners and staff regarding issues raised, it was the consensus of the Commission that the matter be continued for two weeks.

MOTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEMS (1) THROUGH (7), RESOLUTION NUMBERS 94-94 THROUGH AND INCLUDING RESOLUTION NUMBER 100-94, BE CONTINUED.

Mr. Kono indicated that staff would recommend continuance at least until July 12 and if all issues have not been resolved by that date, the time will be further extended.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matter:

- (a) A former employee, Wil Battle, passed away on June 19. He was employed as the Agency's Community Liaison Officer for the past four years and left the Agency last October to take a Sergeant's position in the Police Department. Services will be held on June 24, 1:30 p.m., at the San Francisco Christian Center at 5825 Mission Street.

The Commissioners noted that Mr. Battle had been an outstanding employee and served the Agency well in his capacity as Community Liaison Officer.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS (Continued)

- (b) John Elberling, TODCO, reiterated that language regarding a fiscal merger with the South of Market Earthquake Recovery Redevelopment Project Area and a requirement for jobs programs should be included in the proposed amendment to the Yerba Buena Center Redevelopment Plan.

Mr. Kitahata indicated that staff will be reporting to the Commission on what options there are on these issues.

Temporary President King announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is located in the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is the GAP.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

RECESS

It was moved by Mr. Stern, seconded by Ms. Schilling, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Union Negotiations. The meeting recessed at 5:50 p.m.

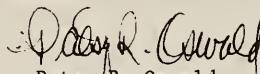
RECONVENED

At this time, 6:31 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned in memory of Wil Battle. The meeting adjourned at 6:32 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 2, 1994

AUG 10 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JUNE, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of June, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Manuel A. Rosales, Vice President (Arrived 4:15 pm)
Cynthia Choy Ong
Leslie T. Schilling (Arrived 4:10 pm)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Marc Trotz, Mayor's Office of Housing; William Phillips, Program Director, Chemical Awareness and Treatment Services, Inc.; Joyce Linker, President, Board of Trustees, Jewish Museum; David Banhlman and Mark Ryser, Foundation for San Francisco's Heritage; Steve Taber, Vice President, California Historical Society; Gordon Matthews, Yerba Buena West; Karen Carr, General Manager, Museum Parc, and South of Market Neighborhood Association; Peter Fowler, Frameline/San Francisco International Lesbian & Gay Film Festival; Brenda Berlin; Bill Osterhaus, Board member, Center for the Arts; James Jeffersen; Michael Willis, Architect; David Robinson, Architect; Philip Aarons and Paula Collins, Millennium-WDGV; Arnold Townsend; Al Williams, Mayor's Hunters Point Shipyard Citizens Advisory Committee; Paul Lord, Department of City Planning; Ena Aguirre; Redmond Kernan; and J.I. Wheelock, GP/TODCO.

Representing the press were: Gerald Adams, San Francisco Examiner; Leslie Katz and Bram Goodwin, Jewish Bulletin.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Letter Agreement with the Department of Public Works, Bureau of Construction Management, for construction

management services in the amount of \$138,248; Rincon Point-South Beach.

- (b) Authorizing a Personal Services Contract for an amount not to exceed \$220,000 with the San Francisco Housing Development Corporation in connection with the Agency's Homeownership Counseling Program.
- (c) Authorizing an \$18,500 predevelopment loan with GP/TODCO in connection with the prospective acquisition and renovation of the Hugo Apartments located at 200-214 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area.
- (d) Approval of a Letter Agreement in the amount of \$228,101 with the Department of City Planning for certain planning services within existing Redevelopment Project Areas and newly proposed areas for study.
- (e) Authorizing a Seventh Amendment to the Personal Services Contract for an amount not to exceed \$30,000 with Keyser Marston Associates, Inc. for Economic Urban Land Consulting Services; Yerba Buena Center.
- (f) Authorizing a First Amendment to the Personal Services Contract with the EBA School of Art increasing the amount of the contract not to exceed \$5,000 and extending the time of the contract for 60 days for services related to the design, fabrication and installation of banners of Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area.
- (g) Authorizing an extension of Exclusive Negotiations with Rincon Point Development Company for the purchase and development of Site F-1 located at the southwest corner of Delancey and Bryant Streets; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (g), RESOLUTION NUMBERS 101-94 THROUGH AND INCLUDING 107-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (h) Public Hearing to hear all persons interested in a Land Disposition Agreement for the parcel located at the northeast corner of Sutter and Laguna Streets; Western Addition A-2.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (h), which requests authorization of the assignment of a Land Disposition Agreement by 1694 Sutter Street Associates, a joint venture composed of GKM & Associates, Inc., a California Corporation, and Masami Dobashi, to 1694 Sutter Street Associates, a California Limited Partnership, in connection with the development of the parcel located at the

northeast corner of Sutter and Laguna Streets in the Western Addition A-2.

- (i) Mr. Graves introduced item (i), which requests authorization of an Amendment to the Land Disposition Agreement with 1694 Sutter Street Associates in connection with the development of the parcel located at the northeast corner of Sutter and Laguna Streets in the Western Addition A-2.

Mr. Graves noted that information had been omitted in the staff report and it is recommended items (h) and (i) be continued.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEMS (h) AND (i), RESOLUTION NUMBERS 108-94 AND 109-94, AND THE PUBLIC HEARING, BE CONTINUED PENDING STAFF PROVIDING FURTHER INFORMATION.

- (j) Mr. Graves introduced item (j), which requests authorization of a \$296,000 Grant to Diamond View Residents Association, Inc. in connection with the acquisition and rehabilitation of Diamond View Apartments located at 173-204 Addison Street as part of the At-risk Housing Preservation Program. The project's owner has elected to prepay its Section 236 mortgage provided by the U.S. Department of Housing and Urban Development (HUD) in conformance with the Federal Low-Income Housing and Preservation and Resident Homeownership Act of 1990, which contains a provision that the tenants may purchase the property from the owner to preserve the affordability of the units. The residents of Diamond View have formed a nonprofit corporation to purchase the 58 units, 44 of which have Section 8 subsidies. Under HUD's buy-out program the tenants are required to contribute 5 percent of the shareholder equity to the project. The tenants have applied to the Agency for this equity requirement in an amount of \$296,000, which must come from a source other than HUD. \$214,000 has also been requested for additional renovation costs currently not approved by HUD, however, it is recommended only the \$296,000 be approved and that any remaining funds needed for renovation costs be sought from HUD. This recommendation has been approved by the Citywide Housing Loan Committee and is found acceptable by the sponsor.

At President Kouba's request, Jack Robertson, Acting Chief of Housing, provided background information on the project. He responded to questions regarding financing sources for the project and noted that affirmative action requirements will be included in the Grant Agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-94 BE ADOPTED.

Ms. Schilling arrived at this time, 4:10 p.m.

- (k) Marc Trotz, Mayor's Office of Housing, introduced item (k), which requests authorization of a \$2,161,880 Grant and Regulatory Agreement to Chemical Awareness and Treatment Services, Inc.

(CATS) for acquisition and rehabilitation of 1049 Howard Street to provide transitional housing for homeless women as part of the Citywide Tax Increment Housing Program. The proposed project includes the acquisition and substantial rehabilitation of a 12,000 square foot warehouse and will provide transitional housing and extensive on-site support services to 30 women as well as drop-in services for an additional 20 women. The requested funding has been approved by the City's Housing Loan Committee.

Mr. Rosales arrived at this time, 4:15 p.m.

Mr. Trotz provided background information on the CATS organization and gave an overview of the services the project will provide.

Mr. Kitahata noted that this is a large amount of money that is being leveraged and Mr. Trotz indicated that, given the clientele the project will serve, there is no opportunity for private financing. Application has been made for McKinney funding, but that would only be for supportive services, not capital costs.

Mr. Kitahata inquired whether the Agency or the City should hold title to the property when providing a 100 percent grant and Mr. Trotz indicated that the Request for Proposals called for sponsors to own and operate the facility.

Mr. Kitahata requested that before the transaction closes, and as a policy issue, staff provide an analysis on the pro's and con's regarding whether title to the property should be vested with the Agency or the non-profit.

William Phillips, Program Director, CATS, requested approval of item (k). He indicated that it has always been CATS' intention to seek funds from all available sources and described the clientele the facility will serve.

In response to an inquiry from Mr. Rosales, Mr. Phillips noted the differences between Walden House and CATS' programs.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-94 BE ADOPTED.

President Kouba indicated that Supervisor Kaufman had intended to speak in support of items (l) and (m), however, she cannot be present due to other commitments.

- (1) Mr. Graves introduced item (l), which requests authorization of Exclusive Negotiations, until December 28, 1994, with the Jewish Museum San Francisco for the purchase and rehabilitation of the Jessie Street Substation located within Central Block 1 (CB-1), bounded by Market, Mission, Third and Fourth Streets in Yerba Buena Center. The Museum is desirous of relocating to a new facility proximate to other cultural facilities in Yerba Buena Center that would accommodate its needs and programs more

appropriately than its current space at 121 Steuart Street. Upon completion of a feasibility analysis, the Museum has indicated its desire to enter into exclusive negotiations for the former Jessie Street Substation. The Museum, founded in 1982, has established itself as a valuable cultural resource for the City and the Bay Area and will complement other cultural facilities in Yerba Buena Center.

- (m) Mr. Graves introduced item (m), which requests authorization to apply to the Federal Emergency Management Agency (FEMA) for alternative project funds in an approximate amount of \$2,350,000 for seismic retrofitting and repair of the Jessie Street Substation in Yerba Buena Center. FEMA is prepared to provide \$6.85 million for the repair of the Williams Building in Yerba Buena Center and approximately \$1.6 million of that amount will be used to temporarily brace the building. FEMA regulations permit the remaining amount, minus 10 percent, or a total of approximately \$4.7 million to be used for alternate projects. As noted under the previous item, the Jewish Museum wishes to acquire the Jessie Street Substation. Total rehabilitation costs are estimated at \$13 million and the Museum will need to raise an additional amount to create an endowment to subsidize operating costs. If an approximate amount of \$2.35 million in FEMA funds is made available, the Museum believes it will be able to raise the balance of funds necessary to renovate the building and operate it as a museum. The Substation is a valuable and historic architectural resource which the Agency is committed to preserving and this provides an opportunity to achieve that goal.

The following persons spoke in support of items (l) and (m): Joyce Linker, President, Board of Trustees, Jewish Museum; and David Banhlman, Foundation for San Francisco's Architectural Heritage.

Ms. Linker expressed appreciation to the Commission, staff and the Heritage Foundation for their support of the project and steps currently being undertaken to secure FEMA funding for renovation of the Jessie Street Substation.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (l), RESOLUTION NO. 112-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT ITEM (m), RESOLUTION NO. 113-94, BE ADOPTED.

- (n) Mr. Graves introduced item (n), which requests authorization to submit an application to the Federal Emergency Management Agency (FEMA) for alternative project funds in an approximate amount of \$2.3 million for a Hazard Mitigation Program for unreinforced masonry buildings. As noted under item (m), FEMA has committed funding of \$6.85 million for the repair of the Williams Building and approximately \$1.6 million of that amount will be used to temporarily brace the building. An allocation of \$2.3 million to

the Jewish Museum for rehabilitation of the Jessie Street Substation to operate it as a museum leaves a balance of approximately \$2.3 million. Following discussions with Supervisor Maher and the Heritage Foundation, it is proposed to submit an application to FEMA to utilize these funds for hazard mitigation in the City because there is a growing concern about historic buildings which must be brought into compliance with the City's Ordinance requiring masonry buildings that include public assembly space be brought up to building code standards promptly. These buildings are at great risk of being demolished if the owners cannot fund the required repairs. A program for such hazard mitigation will be worked out if FEMA agrees to allow this proposal as an acceptable alternate project.

The following persons spoke regarding item (n): Steve Taber, Vice President, California Historical Society (CHS); and Mark Ryser, Foundation for San Francisco's Architectural Heritage.

Mr. Taber requested the resolution be amended to apply for FEMA funding for seismic strengthening of historic buildings, rather than unreinforced masonry buildings with significant assembly space. The reason for this is that CHS would like consideration given to allocating a portion of the balance of FEMA funds not used for the Williams Building for seismic strengthening of the building CHS plans to relocate to, which is concrete rather than unreinforced masonry.

Mr. Ryser indicated that the FEMA money provides an opportunity to prevent buildings being destroyed that have been mandated by the City Ordinance to seismic upgrade that would not otherwise get financing for the required work. CHS is an important institution, however, the building they plan to relocate to is not subject to the City's seismic retrofit program. He urged the Commission not to amend the resolution because otherwise criteria is not clearly established.

Mr. Kitahata inquired regarding consideration being given to using FEMA money for the Oriental Warehouse and Mr. Ryser indicated that it does not qualify under the criteria established. In addition it is not a threatened building, whereas unreinforced masonry buildings are, so it needs to be considered differently from FEMA monies for historic preservation purposes.

In response to an inquiry from President Kouba, Mr. Ryser indicated that the criteria was established in discussions between Supervisor Maher, Agency staff and Heritage.

Mr. Stern indicated that he would be favor of amending the resolution so CHS can qualify for funding because of its close proximity to other cultural facilities in Yerba Buena Center.

Mr. Ryser requested action on an amendment be postponed because a number of groups that participated in preparing the language for

the resolution regarding FEMA monies would want to present their views to the Commission.

Helen Sause, Project Director, Yerba Buena Center, noted her concurrence with Mr. Ryser that other participants in the discussions would want to address the Commission on the proposed amendment.

Mr. Graves indicated that, given the concerns raised by Mr. Ryser, he would suggest the Commission indicate an intention to amend the resolution and take action at a future meeting.

It was the consensus of the Commission that the reference to "unreinforced masonry buildings with significant assembly space" be deleted from the resolution.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-94, AS AMENDED, BE ADOPTED.

- (o) Mr. Graves introduced item (o), which requests conditional approval of the Schematic Design Drawings for the Central Block 2 (CB-2) Entertainment/Retail Center in Yerba Buena Center. At a June 14, 1994 workshop the developer's architects, Cathy Simon, Gary Handel, and the Landscape Architect, George Hargeaves, presented the schematic design, which satisfactorily resolved a number of basic concept design concerns raised. The remaining design concerns to be addressed during the next phase of the design process relate to: a reduction of the height of the IMAX Theater; set back of the fourth floor restaurant uses further from the Esplanade and provide a major setback from Howard Street, to reduce shadows and create a major garden terrace at the roof level; study possible modulation of the restaurant plan, massing and architectural character; provide an obvious wheelchair accessible verticle circulation element to the Fourth Floor Garden Terrace; develop the design of the project at the mid-block entrance from Mission Street to reinforce its importance as a pedestrian way and achieve a building scale that is compatible with the adjacent Esplanade development; provide a more detailed description of tenant requirements; provide more specific development of the project's landscape architectural elements to assure integration of the project with the Esplanade and the reinforcement of the overall landscape character of Yerba Buena Gardens; and conform with Agency design guidelines and detailed technical and design review comments.

The following persons spoke in support of item (o): Gordon Matthews, representing the owner of Yerba Buena West; Karen Carr, General Manager, Museum Parc, and South of Market Neighborhood Association; Peter Fowler, Frameline/San Francisco International Lesbian & Gay Film Festival; Brenda Berlin; Bill Osterhaus, Board member, Center for the Arts; James Jefferson; Michael Willis, Architect; and David Robinson, Architect.

Mr. Matthews noted his support of the project and appreciation of the Agency's efforts in the Yerba Buena area, however, there are concerns relating to shadows, the overall height of the building, and how views from Yerba Buena West will be impacted. He indicated that the architects, staff and the developer have been most cooperative.

Mr. Jefferson noted that the developer has a good small business participation program that includes minorities.

President Kouba noted the presence of Paula Collins and Philip Aarons, Principals of the development entity, Millennium/WDG Retail Partners.

Mr. Kitahata indicated that he has been impressed with the sensitivity shown to community concerns during the process.

ADOPTION: IT WAS MOVED BY MS. SCHILLING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-94 BE ADOPTED.

President Kouba announced that there would be a brief recess.

The meeting recessed at 5:35 p.m. and reconvened at 5:40 p.m. with the same roll call.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
AGENCY RELATED MATTERS

- (a) Arnold Townsend and Jim Jefferson noted their concern that it is understood that the Fillmore Center is planning to lease space designated for retail to a Social Security office, which is inconsistent with the uses approved by the Commission and the Mayor's Western Addition Task Force. It was noted that the Task Force will be presenting a plan shortly for the revitalization of Fillmore Street and it is not wanted to see that work jeopardized.

Mr. Townsend requested the Agency intervene and explain to the Social Security Office that an institutional use as opposed to retail is inappropriate because when the Fillmore Center project was approved, it was with the intention of revitalizing the area.

Ms. Schilling inquired if it is believed that the developer is not making good faith efforts to fill the retail space and Mr. Jefferson indicated he could not answer that question, however, the Task Force wants to take a pro-active role in attracting retail to Fillmore Street. Fillmore Center is soliciting existing businesses in the area, rather than attracting new tenants.

President Kouba indicated that staff will investigate and report back.

- (p) Byron Rhett, Project Coordinator, Hunters Point Naval Shipyard, introduced item (p), a workshop, the purpose of which is to discuss of the Preliminary Land Use Alternatives for the reuse of the Hunters Point Naval Shipyard. The land use planning process began in earnest in November 1993 and subsequently four consultants were hired to assist in the areas of transportation planning, environmental/socio-economic development, real estate economic and planning communications. The land use planning effort is designed to generate a community-based reuse plan and a Planning Team has worked closely with the CAC to gather community input. The Planning Team, led by Agency staff, and comprised of the Hunters Point Citizens Advisory Committee (CAC), the City Planning Department, the Port of San Francisco and the City Attorney's Office has produced four preliminary land use alternatives for re-use of the Shipyard. The four alternatives are: education/arts; industrial; maritime; and residential. All of the alternatives were developed to address community concerns expressed about the need for jobs, job training and business opportunities. The CAC presented and considered the preliminary alternatives in several public forums and has endorsed the education/arts alternative as the preferred alternative. This alternative includes many of the uses tested in the other three alternatives while demonstrating a particular emphasis on education and arts uses.

Alan Loving, Senior Planner, made a presentation on the land use alternatives and responded to questions from the Commissioners.

Mr. Kitahata indicated he would like to see back-up material on the marketing analysis that had been conducted, which Mr. Loving indicated would be provided.

Al Williams, representing Shirley Jones, Chair, Mayor's Hunters Point Shipyard Advisory Committee (CAC), indicated that when presentations are made it is important the CAC be included in order to have the benefit of sharing all information. He noted that the CAC feels the process is moving in the right direction, but wants to be fully involved.

Mr. Graves indicated that he would like to acknowledge the hard work of everyone involved in the process. He introduced Paul Lord, Department of City Planning.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Graves introduced item (a), which requests authorization to send a letter to Senator Feinstein and other appropriate legislators supporting reauthorization and the 1995 funding appropriation for the Housing Opportunities for Persons with AIDS (HOPWA) Program. It is proposed to request increased funding of \$312,000,000.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose

after posting of the agenda on Friday, June 24, 1994. Pursuant to Government Code Section 54954.2(b)(2), a vote of at least five Commission is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 24, 1994.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that he and Robert Gamble, Deputy Executive Director, Finance, had a very positive meeting with Mayor Jordan, Lu Blazej, Executive Director, Department of City Planning, Sidney Unobskey, President of the City Planning Commission and property owners regarding the Transbay Terminal/Terminal Separator area.
- (b) President Kouba indicated that he will be accompanied to the regular monthly meeting with the Mayor, scheduled for June 29, by Commissioners Rosales and Schilling and noted the items it is proposed to discuss.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The Commissioners have been provided with the bid results on Contract IID South Beach Park-Phase 1 in connection with the Rincon Point-South Beach Redevelopment Project.
- (b) The Commissioners have been provided with a report on the Agency's utilization of M/WBE's in purchases and contracts for the period April 1, 1993 to March 31, 1994. The report contained an error and a corrected report will be issued.
- (c) On June 20, 1994, the Board of Supervisors passed an Ordinance to add the Chinese Cultural and Trade Center Redevelopment Project Area as one of the projects in which revenue from the Hotel Tax can be used for the Children's Facilities and the Mexican Museum in Yerba Buena Center.
- (d) The Commissioners have been provided with an informational memorandum on the results of the Agency's sale of approximately \$10 million in taxable bonds, which were sold through a competitive bid process at very attractive rates.
- (e) The Agency's budget will be before the Budget Committee of the Board of Supervisors on June 29. The Commissioners have been provided with a copy of the Budget Analyst's report which will be considered by the Budget Committee. One Supervisor requested \$750,000 be added to the budget for the City-wide Housing Program.

- (f) With regard to the proposed Mission District Survey Area, there is community interest, however, more time is needed before staff can recommend boundaries.

Ena Aguirre indicated that the Director's report reflects the feeling of many Mission community members that more time is needed before decisions are made and recommended appointing an Advisory Committee. She noted that the Mayor's Mission Task Force is in place and maybe they can assist, however, more community participation is needed. Ms. Aguirre offered her services on a volunteer basis.

- (g) The Commissioners have been provided with a copy of the South Bayshore Plan.
- (h) An item for discussion in Closed Session is a resolution passed by the Board of Supervisors that requests the Redevelopment Agency to take conveyance by lease or license agreement of Building Number 2 on Treasure Island for lease or license to a film production company.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted that the Waterfront Plan Advisory Board has addressed the issue of Pier 40 and the Commissioners have been provided with a memorandum dated June 27, 1994 on that subject. He requested staff report back on development options for Pier 40.
- (b) Mr. Rosales inquired regarding the M/WBE certification of King Security Services only being for a period of six months and Chris Iglesias, Affirmative Action Specialist, indicated that this is normal procedure.
- (c) Mr. Rosales requested that merchants interested in the Hunt Lane issue be notified when the East Block 2-C developer selection is before the Commission.
- (d) President Kouba noted that a Redevelopment Seminar will take place in Monterey in July and requested Commissioners interested in attending to contact the Executive Director.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS (Continued)

- (b) Redmond Kernan, representing Hampshire Properties, Inc. indicated that he is pleased it appears the Jewish Museum will relocate to the Jessie Street Substation, however, if this does not occur, the Hampshire Properties' proposal for East Block 2-C can still accommodate the Museum. He noted that it had been indicated to the Hunt Lane group that efforts will be made to find access through the site, even if Hunt Lane is not re-opened. It is hoped the developer decision will be favorable to Hampshire Properties' proposal for a hotel on the site, which complements the Moscone Convention Center and Yerba Buena Gardens and will generate more tax revenue and jobs.

Minutes of a Regular Meeting, June 28, 1994

Mr. Stern indicated that Hampshire Properties' proposal to develop East Block 2-C should receive careful consideration because of the interest they have demonstrated in developing the site since the start of the process.

President Kouba announced that there would be three Closed Sessions pursuant to Government Code 54956.8 to instruct the Agency's Real Property Negotiator. Property locations and entities the Agency may negotiate with are:

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

the block bounded by Market, Mission, 10th and 11th Streets in the 10th and Market Redevelopment Survey Area with Bank of America; and

Hanger #2 at Naval Station Treasure Island with the U.S. Department of the Navy.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790 and Local 21.

RECESS

It was moved by Ms. Schilling, seconded by Mr. King, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Union negotiations. The meeting recessed at 7:05 p.m.

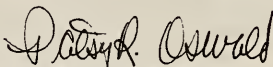
RECONVENED

At this time, 8:07, the meeting reconvened back to the regular session and Robert Firehock, Acting Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Rosales, seconded by Ms. Schilling, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:08 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

August 2, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JULY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of July, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

DOCUMENTS DEPT.

AUG 19 1994

and the following were absent:

SAN FRANCISCO
PUBLIC LIBRARY

Leroy King (Arrived 4:10 p.m.)
Leslie T. Schilling (Arrived 4:50 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: John Buss, President, Hampshire Properties, Inc; Agustin Rosas-Maxemin, President, and Don Chandler, Project Manager, Armax, Inc.; Maria Acosta Colon, Director, Mexican Museum; Jeffrey Heller, Heller & Leake; John Elberling; Donna Levitt, representing Carpenters Local 22 and San Francisco Building and Construction Trades Council; Redmond Kernan, RFK Associates; Robert Meyers; Maxwell Meyers; Judy Lockwood; Michael Denuve; Tom Lille; Alic Talcott, Mayor's Office of Housing; Joseph Mook, Independent Housing for Community; Arnold Townsend; Essie Collins, Mayor's Western Addition Economic Development Task Force; Ray Jones, Urban Economic Development Corporation; Richardo Noguera and Raquel Medina, Mission Economic Development Association; Sharon Birch and Amelita Pasqual, South of Market Foundation; Kevin Williams and Samuel Murray, New Bayview Committee; Jim Bergdoll, Department of City Planning; Espanola Jackson, District 7 Democratic Club; Kathy Perry, Supporters of Western Addition Cultural Center; Glenn Matsui; Masami Dobashi; Liz Schiff; Sy Allen; John Hines, Gavin Harrison, Lu Dupre and Larry Moon.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for the parcel located at the northeast corner of Sutter and Laguna Streets; Western Addition A-2.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (a), which requests authorization of the assignment of a Land Disposition Agreement by 1694 Sutter Street Associates, a joint venture composed of GKM & Associates, Inc., a California Corporation, and Masami Dobashi, to 1694 Sutter Street Associates, a California Limited Partnership, in connection with the development of the parcel located at the northeast corner of Sutter and Laguna Streets in the Western Addition A-2.

- (b) Mr. Graves introduced item (b), which requests authorization of an Amendment to the Land Disposition Agreement with 1694 Sutter Street Associates in connection with the development of the parcel located at the northeast corner of Sutter and Laguna Streets in the Western Addition A-2.

Masami Dobashi, a long time business owner in the Western Addition, and Glenn Matsui formed the 1694 Sutter Street Associates joint venture and a Land Disposition Agreement (LDA) was authorized in May 1993 for the development of six condominium units, however, the joint venture was unable to obtain construction financing without additional equity investment. Additional equity partners have now been secured and through an assignment of the LDA to a new partnership, the capital required for the project to proceed is now available. Approval of exclusive negotiations was conditioned upon Mr. Dobashi retaining a 51 percent or greater interest in the development, however, the assignment will result in a reduction of his interest from 51 percent to 26 percent. Staff recommends approval of this assignment despite a reduction in this community developer's interest because it will allow him to obtain financing after having invested approximately \$60,000 in pre-construction expenses. The amendment being requested extends the date for submission of evidence of financing to October 12, 1994 and conveyance of the site to December 14, 1994. The Commissioners have been provided with a letter from Steve Nakajo, Executive Director of Kimochi, Inc., who does not object the project itself but to the Agency's process.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 108-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 109-94, BE ADOPTED.

Mr. King arrived at this time, 4:10 p.m.

Mr. Kitahata noted that in light of concern expressed by Mr. Nakajo regarding the lack of developable space in Japantown, he had requested staff to report on the status of the Yamato garage parcel and the adjacent historic Bush Street Synagogue building.

Mr. Graves indicated that a report would be provided.

NEW BUSINESS - CONSENT AGENDA

President Kouba indicated that Consent Agenda items (b), (c) and (d) would be removed from the Consent Agenda.

Mr. Graves indicated that it had been staff's intention to recommend continuance of these items in order to provide the Commission with additional information.

Mr. Kitahata noted that he had raised a number of concerns with staff in writing that he would like addressed.

Ms. Ong indicated that she also had contacted staff on the same issues raised by Mr. Kitahata.

Mr. Graves indicated that staff will report back.

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (b), (c) AND (d), RESOLUTION NUMBERS 117-94, 118-94 AND 119-94, BE CONTINUED.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meetings - May 3, May 31, and June 14, 1994; Closed Session - June 14, 1994.
- (e) Accepting conveyance of and approving a license from the United States Navy to the Redevelopment Agency for Building No. 2 at Naval Station Treasure Island.
- (f) Approving a Sublicense from the Redevelopment Agency to Copycat Productions, Inc. for Building No. 2 at Naval Station Treasure Island.
- (g) Authorizing a First Amendment to the Memorandum of Agreement with United Public Employees Local 790 to extend the term through August 31, 1994.
- (h) Authorizing a re-negotiated Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21, for the period July 1, 1994 through June 30, 1997.
- (i) Authorizing a Master Frequent Copy Agreement with OCE-Office Systems.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (e) THROUGH (i), RESOLUTION NUMBERS 120-94 THROUGH AND INCLUDING 124-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (j) Helen Sause, Project Director, Yerba Buena Center, introduced item (j), which requests authorization of Exclusive Negotiations, until January 11, 1995, with Armax, Inc. for the purchase and development of Parcel East Block 2-C (EB-2C) located at the northeasterly corner of Third and Howard Streets in Yerba Buena Center. Three responses were received to a Request for Proposals (RFP) issued in December 1993. The RFP allowed for the development of housing or a hotel, which may include space for the Jewish Museum. However, following approval of exclusive negotiations for rehabilitation of the Jessie Street Substation, the museum relinquished any interest it may have had in relocating to EB-2C. Proposals were received from Armax, Arosa Hotels and Hampshire Properties and on January 25, 1994 each development team presented its proposal to the Commission. A letter dated July 12, 1994 has been received from Arosa Hotels withdrawing its proposal and requesting return of their deposit. Armax proposes to develop a 24-story, mixed-use, market rate development comprised of 135 condominium units and 100 rental units, a parking garage and approximately 38,000 square feet of commercial space. The estimated hard construction cost for the development is \$40.8 million and the proposal provides that the site price of \$7.7 million will be paid in full to the Agency upon conveyance of the site. The estimated total development schedule from authorization of exclusive negotiations to completion of construction is 35 months. During the exclusive negotiations period, the architect will be selected for the project, basic concept drawings will be prepared and submitted to the Agency for review and approval and the terms of a Disposition and Development Agreement will be negotiated. The Commissioners have been provided with staff evaluation of each proposal submitted.

Ms. Sause described the criteria upon which the proposals were evaluated and noted that it had been concluded both projects are feasible. However, a determining factor in staff recommendation of the Armax proposal is the land use since it is believed housing is the most appropriate use for this site. Because of concerns raised by a group regarding the closure of Hunt Lane, staff indicated that in consideration of their concerns the recommendation to the Commission would include a strong design objective for the selected developer to address public access through the development and a representative of that group be involved in that aspect of the design process. Armax and Hampshire Properties have indicated a willingness to work with the Hunt Lane group to resolve this issue

Ms. Schilling arrived at this time, 4:50 p.m.

Judy Eng, Development Specialist, described the background of the development teams and gave an overview of staff analysis of the proposals.

Ms. Sause and Ms. Eng responded to questions from the Commissioners regarding all aspects of the proposals.

John Buss, President, made a presentation on behalf of Hampshire Properties, and responded to questions from the Commissioners.

Agustin Rosas-Maxemin, President, and Don Chandler, Project Director, made presentations on behalf of Armax and responded to questions from the Commissioners.

Mr. Rosas-Maxemin responded to a letter from Hampshire Properties by reporting on the status of lawsuits Armax is involved in and noted his concern that this issue had been raised and that he had received the letter only shortly before the meeting.

The following persons spoke in support of the Armax proposal: Marie Acosta Colon, Director, Mexican Museum; Jeffrey Heller, Heller & Leake; and John Elberling.

The following person spoke in support of the Hampshire Properties' proposal: Donna Levitt, representing Carpenters Local 22 and San Francisco Building and Construction Trades Council; and Redmond Kernan, RFK Associates.

Ms. Levitt noted her concern that Hispanic workers are being exploited on Redevelopment Agency projects because they are not being paid prevailing wages as required by the Agency and the California Labor Code. The Union supports the selection of Hampshire Properties as they believe, based on the Union's experience and commitment with Hampshire properties, that the project will be built and operated in a responsible way.

Mr. Rosales noted his concern regarding Ms. Levitt's comment about Hispanic workers and that it has no reflection on Mr. Agustin Rosas-Maxemin.

Ms. Levitt indicated that her comments were not a reflection on Armax but to point out that Hispanics are being exploited on redevelopment projects.

Mr. Rosales indicated that is a different issue and requested she submit her concerns in writing.

The following persons spoke on behalf of the "Campaign to save Hunt Lane": Robert Meyers; Maxwell Myers; Judy Lockwood; Michael Denuve; and Tom Lille.

The speakers requested consideration be given to providing pedestrian access from Third Street to Natoma and New Montgomery Streets by restoring Hunt Lane.

In response to an inquiry from Ms. Schilling, Elena Branick, Senior Architect, reviewed the shadow studies conducted.

Ms. Sause responded to questions from President Kouba regarding replacement units that have been constructed in the Yerba Buena Center Project area.

Mr. Kitahata indicated he would like a Request for Proposals for EB-2A issued as soon as possible.

Following further discussion regarding the two proposals, Mr. King made the following motion:

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, THAT STAFF RECOMMENDATION BE REJECTED AND RESOLUTION NO. 125-94 BE AMENDED TO AUTHORIZE EXCLUSIVE NEGOTIATIONS WITH HAMPSHIRE PROPERTIES, INC. FOR THE PURCHASE AND DEVELOPMENT OF PARCEL EB-2C IN YERBA BUENA CENTER AND UPON ROLL CALL THE FOLLOWING ANSWERED "AYE":

Mr. King
Mr. Kitahata
Ms. Ong
Ms. Schilling
Mr. Stern
Mr. Kouba

AND THE FOLLOWING VOTED "NAY":

Mr. Rosales

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (k) Alice Talcott, Mayor's Office of Housing introduced item (k), which requests authorization of a \$360,000 Grant to Innovative Housing for Community (IHC) in connection with the acquisition of property located at 1912-1914 McAllister Street for affordable supportive housing, as part of the Citywide Tax Increment Housing Program. IHC was founded in 1980 with a mission to develop new models of housing responsive to the community's changing needs and currently operates 64 supportive shared facilities throughout the Bay Area, including 15 in San Francisco. The \$360,000 grant for the project, which will serve very low income individuals and single parent families in a supportive shared housing environment, has been approved by the Citywide Housing Loan Committee. The appropriate neighborhood associations have been notified of the pending acquisition, which was a requirement of the Loan Committee's approval, and no objections have been raised. Funding for this grant is contingent upon approval of the Agency's 1994-95 budget by the Board of Supervisors.

In response to an inquiry from Mr. Kitahata regarding issues he had raised regarding the possibility of the Agency being an equity owner in projects when large grants are involved, Mr. Graves indicated that staff is studying this matter and will report back in mid-August.

Jack Robertson, Acting Chief of Housing, indicated that housing staff does not believe it would make sense for the Agency to become owners when grants or loans are made because of other financing sources that are involved and the need to comply with numerous complex regulations, including IRS rules.

In response to an inquiry from Mr. Kitahata, Ms. Talcott indicated that there is a need to move financing contingencies by the end of the week and to close the transaction in September.

Ms. Ong noted her concern at the lack of background information and Ms. Talcott indicated that the project had been approved by the Loan Committee and questions raised were addressed at that stage of the process. She offered her apologies for not providing sufficient information, however, she noted that it had been believed the information provided was appropriate at this juncture.

Joseph Mook, Project Manager, IHC, provided background information on IHC and gave an overview of projects undertaken.

In response an inquiry from Mr. King regarding community input, Mr. Mook indicated that the Northern Panhandle Association, which is the dominant neighborhood organization in the area, has been involved in the process and that IHC has community involvement wherever its projects are located.

The following persons spoke regarding item (k): Arnold Townsend; and Essie Collins.

The speakers noted their concerns regarding the use of housing funds being inappropriate for this type of project and that everyone should be aware of funding availability.

Mr. Graves indicated that there is a process whereby interested parties are informed of the availability of funds and if the speakers require further information they could contact himself or Mr. Robertson.

Mr. Kitahata noted that the program has been in place for several years and there is a Request for Proposals process which is widely noticed.

Mr. King noted his concern that the rents are not affordable and Ms. Talcott indicated that this is low cost housing compared to other housing projects and if the rents were lower more Agency subsidy would be required.

Ms. Ong noted her concern that in working with the Mayor's Office of Housing (MOH) on these matters the Commission does not have oversight. Decisions are made before there is an opportunity for the Commission to have input and there is a policy issue involved. She requested the item be continued until adequate information is provided.

Ms. Schilling noted that the role of MOH in approving loans as opposed to the Commission having authority is a separate issue and it would be unfair to postpone the IHC item on that basis because the sponsor had responded in good faith to a Request for Proposals.

Mr. Graves indicated that MOH is responsible for the Citywide Tax Increment Housing Program and the review process is in that office. He indicated that he would invite Ted Dientsfrey, Director of MOH, to the July 26, 1994 meeting to describe how the loan requests are evaluated and respond to questions from the Commissioners.

Ms. Ong indicated that at that time she would like further information on IHC, including its track record.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 126-94, BE CONTINUED TO JULY 26, 1994.

- (1) Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced item (1), the purpose of which is to review the Agency's San Francisco Business Loan Program Evaluation. In response to a request from the Commission, economic development staff, in collaboration with the Mayor's Office of Community Development (MOCD), evaluated the administration and implementation of the City's business loan programs. Discussions were held with representatives of four neighborhood economic development organizations that package applications for the loan programs and each organization provided written comments on the evaluation. The Commissioners have been provided with staff recommendations and recommendations made by the economic development organizations, all of whom concur that: the loan review process is too lengthy; the City needs to aggressively market the loans programs; and the business loan procedures need to be made more accessible and efficient. Staff will review for possible further action, comments and recommendations from economic service providers and the general public not already covered by any of these initiatives.

The following persons spoke regarding item (1): Ray Jones, Urban Economic Development Corporation (UEDC); Ricardo Noguera and Raquel Medina, Mission Economic Development Association (MEDA); Sharon Birch and Amelita Pasqual, South of Market Foundation; Kevin Williams and Samuel Murray, New Bayview Committee; Arnold Townsend; and Essie Collins, Mayor's Western Addition Economic Development Task Force.

Mr. Sims indicated that the evaluation of the loan review process will be finalized and a formal report brought to the Commission in four weeks.

- (m) Jim Bergdoll, Department of City Planning made a presentation on the South Bayshore Plan and responded to questions from the Commissioners.

The following persons spoke regarding item (m): Kevin Williams and Samuel Murray, New Bayview Committee.

The speakers spoke in support of the plan and of the South Bayshore becoming a redevelopment survey area.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that he had attended an opening event for Precita House in Bernal Heights and that the project, which services single parents, was funded with HOPWA money.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with a Quarterly report on Neighborhood Economic Development Services provided by Neighborhood Economic Development Organizations.
- (b) The Commissioners have been provided with an informational memorandum regarding the development of Pier 40 which recommends moving forward with a ballot measure to amend the Proposition H Ordinance in November 1995.

Mr. Kitahata noted that he felt waiting until 1995 would be too late and it would be his preference for the amendment to be on the November 1994 ballot, predicated upon the Mayor putting it on the ballot.

Mr. King indicated that the Commission is on record as opposing hotels on the waterfront.

- (c) The Commissioners have been provided with a newspaper article on a fire that occurred at the Oriental Warehouse in Rincon Point-South Beach.
- (d) The Commissioners have been provided with a report on a fire inside the Jessie Street Substation in Yerba Buena Center.
- (e) The Board of Supervisors referred the Agency's budget and bonds for 1994-95 back to the Budget Committee. This item will be heard at a Special Meeting of the Budget Committee scheduled for on July 18, 1994 and the reason it was referred back to Committee relates to the Economic Development staff.

- (f) The Board of Supervisors adopted an amendment to the Agency's budget for fiscal year 1991-92 to allow funding projects other than property acquisition, business loans and public space improvements from the one million dollar 24th Street Revitalization Program allocation in amounts to be determined by the Agency and requiring the Agency to report to the Board of Supervisors the uses of the unspent remaining funds.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. King requested that when a weekly Agency meeting is cancelled, an announcement be made at the previous meeting.
- (b) Mr. Stern noted he had attended a meeting in Hunters Point, accompanied by Commissioner King, Executive Director Clifford Graves and Tom Conrad, Chief, Planning and Programming, and the consensus of the meeting was that the community wants to initiate a redevelopment survey area in the South Bayshore.

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The party threatening to initiate litigation is Patrick Media regarding Site F-1 in Rincon Point-South Beach.

There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator with respect to price and terms of payment. The property is located at the northwest corner of Brannan and First Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is Reliance Development Group.

There will also be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative to negotiate with Local 790.

RECESS

It was moved by Mr. King, seconded by Ms. Ong, and unanimously carried that the meeting be recessed to Closed Sessions on Threatened Litigation, Real Property Negotiations and Union Negotiations. The meeting recessed at 9:00 p.m.

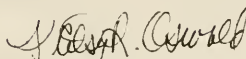
RECONVENED

At this time, 9:31 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Ms. Ong, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:32 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

August 16, 1994

11/ 6/94
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF JULY, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of July, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Leroy King
Gary Kitahata
Cynthia Choy Ong

and the following were absent:

Manuel A. Rosales (Arrived 4:04 p.m.)
Leslie T. Schilling
Clarence R. Stern (Arrived 4:04 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Rich Sorro, Mission Hiring Hall; Gordon Matthews, Mutual of New York/150 Fourth Street; Michael Abel, Harrison Street property owner; John Elberling, TODCO; Robert Meyers, representing Pacific Bell; Philip Aarons and Chuck Collins, Yerba Buena Retail Partners, Inc.; Reina Tanguilig, South of Market Problem Solving Council; Charles Higgins, Bicycle Transportation Center; Ted Dientsfey, Director of Housing (MOH); Alice Talcott, MOH; Mel Carriere, and Debbie Greiff, Innovative Housing for Community; Daniel Hernandez, Executive Director, Mission Housing Development Corporation; Brother Christopher Brady and Brother Christopher Donnelly, Sacred Heart Cathedral Preparatory; Peter Winkelstein, Simon, Martin Vegue, Winkelstein Moris; Bob Davis and Kes Narbutas, KTB Realty Partners, Inc.; Luis Belmonte, AMB Properties; Luis Belmonte, Ernie Merriweather, We the People Television; Cynthia Durham and Kathy Perry, Supporters of the Western Addition Cultural Center; Ace Washington, WAPAC/CNS; Liz Schiff; David Taylor; Larry Badiner, Department of City Planning; Harold B. Brooks, Jr., SEED Group-Hunters Point; Lou Johnson; Ocie Mae Rogers; and Cati Okorie.

RECESS

President Kouba announced that the meeting would be recessed to a Closed Session pursuant to Government Code 54957 to instruct the Agency's designated representative to negotiate with Local 790.

The meeting recessed at 4:03 p.m. and reconvened at 4:15 p.m., with the same roll call with the addition of Commissioners Rosales and Stern.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which relates to the proposed Eighth Redevelopment Plan Amendment for the Yerba Buena Center Redevelopment Project area and involves the following Commission actions: (1) approving the Addendum to the Report on the Redevelopment Plan Amendment and authorization to transmit it to the Board of Supervisors for its information; (2) approving the Mitigation Monitoring and Reporting Program for the Yerba Buena Center Redevelopment Project Area; (3) approving the Addendum to the Yerba Buena Center Subsequent Environmental Impact Report for the Supermarket/Housing Site (SB-2, Parcel H); (4) adopting Environmental Findings and Statement of overriding considerations made pursuant to the California Environmental Quality Act and State Guidelines in connection with the proposed Redevelopment Plan Amendment and changes to the Scope of Development for the Central Blocks Development in Yerba Buena Center; (5) approving the proposed Redevelopment Plan Amendment and authorization to transmit it to the Board of Supervisors for its consideration; (6) authorizing transmittal of the proposed Redevelopment Plan Amendment to the City Planning Commission for its Report and Recommendation; (7) approving the Design for Development for the Yerba Buena Center Redevelopment Project Area and authorization to transmit it to the City Planning Commission for its consideration. The proposed Amendment would adapt the existing Redevelopment Plan, where appropriate, with relevant sections of the current City Planning Code. In addition it would extend the time for eminent domain proceedings and increase the amount of tax increment dollars which may be allocated to the Agency. Also included in the Amendment are statutory requirements relating to time limitations for incurring debt, performing redevelopment activities, and receipt of tax increment to repay debt, which must be adopted prior to the end of 1994.

Thomas Conrad, Chief, Planning and Programming, reviewed staff recommendations in response to issues raised at a public hearing conducted and concluded on June 21, 1994 and responded to questions from the Commissioners. He noted that discussions had been held with property owners and steps taken to address their concerns regarding height and Floor Area Ratio (FAR) limitations and eminent domain. With respect to the transferability of development rights (TDR's) to and from the Yerba Buena Center Project Area, Agency General Counsel is of the opinion this issue raises a number of policy and legal questions that require further study before recommendations can be made. With regard to a request from Tenants and Owners Development Corporation (TODCO) and the South of Market Problem Solving Council (SOMPSC) to merge the Yerba Buena Center and South of Market Earthquake Recovery project areas, staff feels it would be premature to pursue a fiscal merger of only two project areas without careful evaluation and consideration of merging other project areas as well as other

emerging project areas throughout the City. Staff has conveyed this position to the two organizations along with a commitment that a fiscal project merger will be pursued within the next six to eight months. Pursuant to a request from TODCO and the SOMPSC, new language has been prepared to address the issue of local hiring preference whereby South of Market area residents will be given first consideration in hiring, to be followed by other San Francisco residents. There is also a change with respect to variances pursuant to a request from the City Planning Department that any development explore the administrative exceptions permitted in the City Planning Code before the variance procedure is begun. A letter has just been received from the South of Market Foundation relating to the merger issue, which there has not been time to review, and staff would prefer to defer this matter until a merger of other projects is considered.

The following persons spoke regarding item (a): Gordon Matthews, Mutual of New York/150 Fourth Street; Michael Abel, Harrison Street property owner; John Elberling, TODCO; and Robert Meyers, representing Pacific Bell.

Mr. Matthews indicated that the Commissioners have been provided with a letter dated July 26, 1994 expressing concern at the proposed height and FAR restrictions. He requested action be postponed to provide an opportunity for discussions with staff.

Messrs. Abel and Elberling indicated their support of the Plan Amendment and expressed appreciation to the Commission and staff for their cooperation in addressing concerns raised.

Mr. Meyers indicated that a potential development of 134 units by Pacific Bell at the northeast corner of Third and Folsom Streets would be difficult to achieve with a 6.1 FAR and requested a more positive acknowledgment that it will be increased to 9.1 if TDR's are not available.

Mr. Graves indicated that he could not recommend granting this request because staff has not had an opportunity to study the TDR issue and Mr. Meyers' request is based upon something that may not occur.

In response to an inquiry from Mr. Stern regarding concerns raised by Mr. Matthews, Mr. Graves indicated he would suggest proceeding with the height and FAR limitations proposed in the Plan Amendment and that the Commission direct staff work with Mr. Matthews to reach a mutually satisfactory solution.

Mr. Stern indicated he would like the language with respect to local hiring, paragraph 8, amended with preference extended to residents of Hunters Point and the Western Addition and suggested consideration be given to providing all redevelopment project areas with this employment opportunity.

Mr. Kitahata inquired regarding community reaction to this change.

Rich Sorro, Mission Hiring Hall and John Elberling, TODCO, indicated they would not object to the language being amended as suggested by Mr. Stern, however, this collaborative process is already being followed.

Following a discussion between the Commissioners regarding hiring preference language, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT PARAGRAPH 8 OF THE YERBA BUENA CENTER REDEVELOPMENT PLAN AMENDMENT BE AMENDED TO INDICATE THAT TO ACHIEVE THE GOAL OF AT LEAST 50 PERCENT CITY RESIDENT EMPLOYMENT, RESIDENTS OF THE SOUTH OF MARKET AREA SHALL BE GIVEN FIRST CONSIDERATION FOR HIRING, FOLLOWED BY RESIDENTS OF OTHER REDEVELOPMENT PROJECT AREAS, FOLLOWED BY OTHER SAN FRANCISCO RESIDENTS.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-94-A BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-94 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-94 BE ADOPTED.

UNFINISHED BUSINESS

- (b) Mr. Graves introduced item (b), which requests authorization of an amendment to the Personal Services Contract with Simon Martin Vegue Winkelstein Moris (SMWM) in an amount of \$120,000 to complete additional Planning Communications Services to complete land use planning efforts for Hunters Point Shipyard. A contract was authorized in November 1993 for services which included graphics materials in support of the development of a land use plan for the Shipyard. A lapse in funding as the Agency's Office of Base Closure awaited funding from the Department of Defense prevented the Department of City Planning from participating in the land use process. This resulted in SMWM being requested to perform significant planning activities and prepare planning materials not contemplated at the time the original scope of services was formulated. The proposed amendment is necessary to compensate SMWM for tasks already

completed and for additional services necessary to complete the land use planning efforts for the Shipyard. Failure to proceed would have negatively impacted the project's schedule and further delayed the production of a reuse plan which is critical to the clean-up schedule prepared by the Navy's remediation consultants.

- (c) Mr. Graves introduced item (c), which requests authorization of a Personal Services Contract with The Alfred Williams Consultancy in an amount of \$75,000 for Liaison Consultant Services for the Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC) in connection with the Hunters Point Shipyard. Since creation of the CAC by the Mayor's Office in 1991 activities regarding reuse of the Shipyard have increased significantly resulting in the CAC requesting additional staff assistance. In response to this need, staff issued a Request for Proposals (RFP) for a liaison consultant which was extensively advertised. Following evaluation of four proposals submitted, staff recommends selection of The Alfred Williams Consultancy, an MBE, as being best qualified for these consultant services. Recently the Agency was awarded a \$1,203,190 grant by the Office of Economic Adjustment (OEA) and a portion of these funds, along with tax increment funds, will be used to fund this contract. As a condition of the grant agreement, the OEA will be approving all contracts under their funding and therefore Commission approval of the contract is conditioned upon approval by the OEA.

Mr. Kitahata noted his concern that too much attention is being paid to public relations items and he would prefer both items be continued until issues he has raised with staff have been addressed.

Ms. Ong noted her concern that there is not an overall picture of what is going to be achieved and how the Agency is going to have oversight over the whole project. She indicated she believed the CAC consultant should be monitored by the Agency and her concern that she did not recall there being a Request for Proposals (RFP) process for the CAC consultant contract.

Byron Rhett, Project Coordinator, Hunters Point Shipyard, indicated that the Commission had approved the issuance of an RFP for a consultant and that the contract is with the Agency, not with the CAC. There will be regular monitoring of the contract by staff and monthly reports are required.

Mr. King indicated that there had been an extension discussion regarding the consultant contract. The CAC requested an independent consultant and there will be community opposition if the contract is not approved. It is the recommendation of the CAC and the community.

Mr. Rosales indicated that there appears to be concern about the overall plan for the Shipyard and suggested the items be continued for one week.

Mr. Graves indicated that he felt comfortable recommending both the contracts and that the CAC consultant contract has been pending for some time. However, in view of concerns raised, staff will return in one week with a review of the scope of the planning effort for the Shipyard.

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 118-94, AND ITEM (c), RESOLUTION NO. 119-94, BE CONTINUED TO AUGUST 2, 1994.

President Kouba indicated that item (d), Unfinished Business, would be considered upon arrival of representatives of the Mayor's Office of Housing and Innovative Housing for Community.

NEW BUSINESS - CONSENT AGENDA

President Kouba indicated that Ms. Ong has a conflict of interest with respect to Consent Agenda (a) because of her affiliation with the State Attorney General's Office who represent Caltrans and she would therefore abstain from voting on this item.

- (a) Authorizing an extension of the Exclusive Negotiations period of the Agreement to Negotiate Exclusively with The GAP, Inc. for the acquisition and development of Development Site C-1 located in the block bounded by the right-of-way of the recently removed Embarcadero Freeway, Steuart, Folsom and Spear Streets; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MS. ONG ABSTAINING, THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 127-94, BE ADOPTED.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (b) Approving a license from the Department of the Navy to the Redevelopment Agency of the City and County of San Francisco for Building #180 at Naval Station Treasure Island.
- (c) Approving a sublicense from the Redevelopment Agency to Skellington Productions, Inc. for Building #180 at the Hunters Point Annex.
- (d) Approving a license from the Department of the Navy to the Redevelopment Agency of the City and County of San Francisco for Buildings #281 and #606 at the Hunters Point Annex.
- (e) Approving a sublicense from the Redevelopment Agency to Skellington Productions, Inc. for Buildings #281 and #606 at the Hunters Point Annex.
- (f) Authorizing a re-negotiated Memorandum of Agreement with United Public Employees Local 790 for the period of July 1, 1994 through June 30, 1997.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (b) THROUGH (f), RESOLUTION NUMBERS 128-94 THROUGH AND INCLUDING 132-94, BE ADOPTED.

Byron Rhett, Project Coordinator, Hunters Point Shipyard, noted that the contracts with Skellington Productions contain local hiring preference language.

NEW BUSINESS - REGULAR AGENDA

- (g) Public Hearing to hear all persons interested in a Land Disposition Agreement and Ground Lease for Central Block 2 Entertainment/Retail Site; Yerba Buena Center.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Helen Sause, Project Director, Yerba Buena Center, introduced item (g), which requests authorization of a Land Disposition Agreement (LDA) and Ground Lease with Yerba Buena Retail Partners, Ltd. for the lease and development of the Central Block 2 Entertainment/Retail Site located on the easterly side of Fourth Street between Mission and Howard Streets in Yerba Buena Center. Following approval of exclusive negotiations with a joint venture comprised of Millennium Partners, Inc. of New York and minority-owned WDG Ventures, Inc. of San Francisco, the development team formed Yerba Buena Retail Partners, Ltd., a California Limited Partnership. Negotiations have been concluded with respect to the terms of the LDA and 90-year ground lease. Staff is recommending approval of an LDA and related documents pursuant to which the developer will complete conditions precedent to conveyance, construct the development and operate the complex. The performance schedule calls for conveyance of the site by November 30, 1995.

Philip Aarons and Chuck Collins, Principals, Yerba Buena Retail Partners, Inc., introduced members of the development team and responded to questions from the Commissioners.

The following persons spoke regarding item (g): John Elberling, TODCO; and Reina Tanguilig, South of Market Problem Solving Council.

Mr. Elberling noted his support of item (g) and commended the developer for responding to community concerns. However, the jobs program has a term of ten years, whereas the lease is for ninety years, and the jobs program should last at least as long as the project area is in place.

Ms. Tanguilig noted her concurrence with Mr. Elberling's comments regarding the term of the jobs program.

Ms. Sause indicated that it is unusual for a developer to include a jobs program in a lease since it could be onerous and staff feels the ten year commitment to a jobs program is equitable.

Mr. Collins noted that there is not another project subject to these requirements and this is a very aggressive best efforts program, which it is hoped will set a precedent.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-94 BE ADOPTED.

- (h) Public Hearing to hear all persons interested in a Sublease for the development of a cafe and office space in the Pier 38 Bulkhead Building; Rincon Point-South Beach.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (h), which requests authorization of a Development and Occupancy Sublease with Pier 40 Coffee Roastery, Inc. for the development of a cafe and office space within the southern portion of the Pier 38 Bulkhead Building in Rincon Point-South Beach. Exclusive negotiations were authorized in October 1993 and the construction of the Embarcadero Roadway is now at a stage which allows the Coffee Roastery development to proceed. The term of the Sublease is ten years with two permitted extensions of five years each. The performance schedule calls for commencement of construction by November 25, 1994 with completion within six months.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, reviewed the terms of the lease and responded to questions from the Commissioners. He introduced Norman Pierce, Coffee Roastery, Inc.

In response to an inquiry from President Kouba, Mr. Kaplan indicated that a portion of the \$230,000 allocated for public improvements will be expended on restrooms.

Charles Higgins, Bicycle Transportation Center, indicated his support of the project and gave an overview of a youth development program within Pier 38.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-94 BE ADOPTED.

UNFINISHED BUSINESS (Continued)

- (d) Alice Talcott, Mayor's Office of Housing, introduced item (d), which requests authorization of a \$360,000 grant to Innovative Housing for Community in connection with the acquisition of property located at 1912-1914 McAllister Street for affordable supportive housing as part of the Citywide Tax Increment Housing Program. At the July 12, 1994 Agency meeting the Commission requested further information regarding the sponsor, the project, community participation and affirmative action, which has now been provided.

Ms. Talcott reviewed the additional information provided to the Commissioners in detail.

Ted Dientsfrey, Director, Mayor's Office of Housing, gave an overview of the loan review process and responded to questions from the Commissioners.

Mel Carriere, Vice President, Wells Fargo Bank, and IHC Board member, requested approval of item (d).

Debbie Greiff, Executive Director, IHC, described the services IHC provides and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-94 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (i) Jack Robertson, Acting Chief of Housing, introduced item (i), which requests authorization of a Housing Opportunities for Persons with AIDS (HOPWA) Loan Agreement in an amount of \$1 million with Mission Housing Development Corporation (MHDC). MHDC is proposing to develop a new 30 unit family housing project at 1010 South Van Ness Avenue, with ten units to be reserved for persons with HIV/AIDS. The project would be jointly funded through the Mayor's Office of Housing, tax credits and the HOPWA Program. The five year HIV/AIDS Housing Plan has established the development of mix-population projects as one of the priorities for capital development. If the project obtains its funding commitments as scheduled, construction would commence by mid-1995 with project occupancy beginning in the Fall of 1996. Representatives of MHDC are present to respond to questions.

Daniel Hernandez, Executive Director, MHDC, described the community outreach process and responded to questions from the Commissioners.

Mr. Rosales indicated he would like a concentration on outreach to Hispanics and Mr. Dientsfrey indicated that MHDC has an aggressive marketing program within the neighborhood, however, the units cannot be restricted by ethnicity.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-94 BE ADOPTED.

- (j) Mr. Graves introduced item (j), which requests authorization of a \$916,245 Grant and Regulatory Agreement with Mercy Charities Housing California, Inc. for acquisition and rehabilitation of Richmond Hills Family Center, a short term emergency shelter, located at 6324 Geary Boulevard as part of the Citywide Tax Increment Housing Program. The Mayor's Office has requested this item be continued.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (j), RESOLUTION NO. 136-94, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (k) Edmund Ong, Chief of Architecture, introduced item (k), a workshop, the purpose of which is for a presentation of the Master Plan for building improvements and new buildings for Sacred Heart Cathedral Preparatory located on the south side of Ellis Street between Franklin and Gough Streets and the north side of Ellis Street between Gough and Octavia Streets in the Western Addition A-2. Sacred Heart Preparatory School, founded in 1852, currently has an enrollment of 1,100 students. Due to a need to modernize the facilities, the School Administration retained the architectural firm of Simon, Martin Vegue, Winkelstein Moris (SMWM) to prepare a long range master plan for the campus. The proposed master plan calls for the future construction of one additional floor to the existing LaSalle Building which would require a variance from the A-2 Redevelopment Plan. At a future Agency meeting, staff will calendar for formal consideration an Owner Participation Agreement with the Roman Catholic Welfare Corporation of San Francisco as well as any variances required to allow the master plan to be implemented.

Brother Christopher Brady, Sacred Heart, gave an overview of the master plan and Peter Winkelstein, Architect, made a design presentation and responded to questions from the Commissioners.

- (l) Mr. Graves introduced item (l), a workshop, the purpose of which is for a presentation of responses to a Request for Proposals (RFP) regarding the development of Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. In April 1994, an RFP was issued for the purchase and development of the site for residential, commercial, light industrial, live/work units and other uses and two responses were received by the June 22, 1994 deadline. AMB Properties propose to develop 215 Single-Room Occupancy (SRO) units, 17,000 square feet of ground floor retail space and two levels of above ground parking containing 480 spaces, all located in the main building to be constructed at the southeast corner of Third and Harrison Streets, two live/work loft type duplexes with two parking spaces in a smaller building fronting on Harrison Street. KTB Realty Partners, Inc. propose to develop 126 low-income housing units,

2,780 square feet of ground floor retail space and two levels of above ground parking containing 125 spaces.

Bob Davis and Kes Narbutas made presentations on behalf of KTB Realty and responded to questions from the Commissioners.

Luis Belmonte made a presentation on behalf of AMB Properties, introduced members of the development team and responded to questions from the Commissioners.

Philip Westergaard, Development Specialist, indicated that staff expects to recommend a developer for exclusive negotiations by the end of August.

Mr. Kitahata noted that he would be out of the State from August 10 to 23, however, he would like to be present when this item is heard. He indicated he would like staff to look at housing policy implications with the Mayor's Office of Housing because the two housing types are different. He further requested staff evaluation include financial feasibility, the track record of the development teams and community input, including the response of the Yerba Buena Consortium.

President Kouba requested an evaluation of the design concept be included in staff analysis of the proposals.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ernie Merriweather, We the People Television, and Cynthia Durham, Supporters of the Western Addition Cultural Center, expressed appreciation to the Commission for supporting the Juneteenth Festival and distributed tapes of the event.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Robert Gamble, Deputy Executive Director, Finance, reported that several meetings had been held in the Mission District to consider forms of citizen participation and focus on how to get information to the community. He noted that, although there is a great deal of interest in pursuing a redevelopment project area, there is some opposition, and there is still a need to determine if there is sufficient interest to proceed to the Board of Supervisors.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted his concern regarding a recent article in the San Francisco Examiner regarding the Old Mint which indicates that Mayor Jordan hopes to raise \$2.5 million through redevelopment to save the Old Mint. He noted that in his opinion Federal resources should be expended for this purpose.

Mr. Graves indicated that staff will report back on developments.

Minutes of a Regular Meeting, July 26, 1994

- (b) In response to an inquiry from President Kouba, Mr. Graves indicated that the Commissioners will be provided with staff response to a request from Ruth Williams for a business loan from the Bayview/Hunters Point economic development funds.

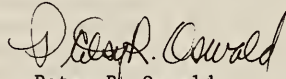
PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS (Continued)

- (b) Ace Washington, WAPAC and CNS, expressed appreciation to Mr. Graves for appearing on Channel 32 and spoke regarding matters relating to the Western Addition A-2.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 30, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF AUGUST, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of August, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong
Leslie T. Schilling

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Alfred Williams, Alfred Williams Consultancy; Michael McCone and Stephen Taber, California Historical Society; Brenda Berlin, Consultant to the Children's Place; Fei Tsen, President of the Board of Directors of the Children's Place; Charlie Walker; Samuel Murray; Kevin Williams; Espanola Jackson, District 7 Democratic Club; Willie B. McDowell, WHGS Youth Foundation; Ace Washington, WAPAC; Isabella Lyden, Chemical Awareness and Treatment Services, Inc.; Laura McLatchy, Dolores Street Community Services; Chris Sayer and Chris Geiger, Walden House, Inc.; Marty Low, Baker Places Residential Treatment Services, Inc.; Thomas Lee, LDA Architects; and Ocie Mae Rogers.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests authorization of a Personal Services Contract with The Alfred Williams Consultancy in an amount of \$75,000 for Liaison Consultant Services for the Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC) in connection with the Hunters Point Shipyard. Since creation of the CAC by the Mayor's Office in 1991 activities regarding reuse of the Shipyard have increased significantly resulting in the CAC requesting additional staff assistance. In response to this need, staff issued a Request for Proposals (RFP) for a liaison consultant which was extensively advertised. Following

evaluation of four proposals submitted, staff recommends selection of The Alfred Williams Consultancy, an MBE, as being best qualified for these consultant services. Recently the Agency was awarded a \$1,203,190 grant by the Office of Economic Adjustment (OEA) and a portion of these funds, along with tax increment funds, will be used to fund this contract. OEA has reviewed the scope of services to be performed under this contract and finds it consistent with the grant application and necessary to successfully complete work on a reuse program for the Shipyard. OEA has also approved the process used to solicit contractors and the decision to award the contract to the Alfred Williams Consultancy. At the July 26, 1994 meeting staff was directed to prepare a comprehensive review of the work at the Shipyard and this report will be presented at the August 16 meeting. Staff is therefore requesting two of three consultant contracts that were before the Commission on July 26 be continued to August 16, 1994.

Mr. Kitahata inquired why tax increment funds are being used when there is the OEA grant and what are the proportions.

Byron Rhett, Project Coordinator, Hunters Point Shipyard, indicated that \$45,000 in grant monies would be used and \$30,000 in tax increment. There are stringent limitations on the use of grant monies and the services required a greater amount than OEA set aside for this particular endeavor.

Mr. Graves noted that when a consultant contract was initially proposed the OEA grant was not available and it was anticipated that the entire contract would be funded with tax increment.

In response to Mr. Kitahata's inquiry regarding the reporting relationship, Mr. Rhett indicated that the consultant will prepare monthly reports that staff will review and approve before any payments are made for work performed and will check with the CAC to assure that satisfactory work is being performed.

Mr. Kitahata indicated he would like an assessment of how the process is working in terms of using an outside consultant, as opposed to inside staff, because it is a precedent for future projects.

Mr. Rhett indicated that assuming an OEA grant is available next year, there will be a review and an opportunity for the Commission to change direction if they wish.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Approval of Minutes: Regular Meetings, June 21 and 28, 1994.

Minutes of a Regular Meeting, August 2, 1994

- (b) Authorizing the Executive Director to travel to Baltimore, Maryland, October 23 -26, 1994 to attend the NAHRO National Conference and Exhibition.
- (c) Void
- (d) Authorizing David Madway, Agency General Counsel, to travel to Washington, D.C. on August 5, 1994 to testify at a U.S. Defense Department hearing on new implementing rules for Base Realignment and Closure.
- (e) Authorizing Alan Loving, Development Specialist, to travel to Charleston, S.C. to attend the 1994 Annual Convention of the National Association of Installation Developers, August 14-16, 1994, in an amount not to exceed \$2,000; Office of Base Conversion.
- (f) Authorizing a Second Amendment to the Sedway & Associates Personal Services Contract to augment the approved Budget by \$11,338 to reflect the additional costs of preparing two separate Strategic Plans for Bayview/Hunters Point and Visitation Valley and for preparing a second Enterprise Community Application.
- (g) Authorizing a Personal Services Contract with Wes Willoughby.
- (h) Authorizing an Eighth Amendment to the Personal Services Contract with Ella Hill Hutch Community Center (EHHCC) to provide Employment Development Services in an amount not to exceed \$44,333 for the period August 1, 1994 through September 30, 1994.
- (i) Authorizing a Sixth Amendment to the Personal Services Contract with Urban Economic Development Corporation for Technical Assistance Services in an amount not to exceed \$31,666 for the period August 1, 1994 through September 30, 1994; India Basin and Hunters Point Redevelopment Project Areas.
- (j) Authorizing a Sixth Amendment to the Personal Services Contract with Young Community Developers to provide Employment Development Assistance Services in an amount not to exceed \$33,333 for the period August 1, 1994 through September 30, 1994; Hunters Point, India Basin and other Redevelopment Project Areas.
- (k) Authorizing a Sixth Amendment to the Personal Services Contract with Mission Hiring Hall, Inc. to provide Employment Development Assistance Services in an amount not to exceed \$36,667 for the period August 1, 1994 through September 30, 1994; South of Market, Yerba Buena Center and other Redevelopment Project Areas.
- (l) Authorizing a Fourth Amendment to Personal Services Contract with the South of Market Foundation in an amount not to exceed \$28,334 for the period August 1, 1994 through September 30, 1995; South of Market Redevelopment Project Area.

- (m) Authorizing a Third Amendment to the Personal Services Contract with the Women's Initiative for Self Employment (WISE) for Technical Assistance Services in an amount not to exceed \$5,528 for the period August 1, 1994 through September 30, 1994; Western Addition A-2, India Basin and Hunters Point Redevelopment Project Areas.
- (n) Authorizing a Third Amendment to the Personal Services Contract with San Francisco Renaissance (SFR) for Technical Assistance Services in an amount not to exceed \$5,250 for the period August 1, 1994 through September 30, 1994; Western Addition, India Basin, Hunters Point and South of Market Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (n), RESOLUTION NUMBERS 137-94 THROUGH AND INCLUDING 148-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (o) Mr. Graves introduced item (o), which requests authorization of an application to the Federal Emergency Management Agency (FEMA) for Hazard Mitigation of 678 Mission Street, California Historical Society (CHS), in connection with Yerba Buena Center. FEMA has made \$6.85 million available for the repair of the Williams Building on Parcel East Block 2-A in Yerba Buena Center and the Commission has approved utilization of approximately \$1.6 million of that amount to temporarily brace the building. FEMA regulations permit the remaining amount, minus 10 percent, or a total of about \$4.72 million, to be used for alternate projects. The Commission authorized application to FEMA to provide \$2.3 million for the seismic retrofit of the Jessie Street Substation as an alternate project, which leaves an approximate balance of \$2.3 million. The Commission authorized staff to work with the Foundation for San Francisco's Architectural Heritage to use these funds for hazard mitigation of unreinforced masonry buildings (UMB) in the City and the CHS Building. It is proposed to apply for \$500,000 from FEMA for 678 Mission Street as an alternate project. The project cost is estimated at \$2.1 million and, although CHS has conducted an intensive fund raising campaign, it does not have the ability to raise sufficient money to renovate the building to meet code and ADA requirements as well as the seismic work necessary. Staff memorandum indicated that the Heritage Foundation supports the renovation of 678 Mission Street, however, a recent communication indicates that they have "no" position. Michael McCone and Stephen Taber representing the California Historical Society are here to respond to questions.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-94 BE ADOPTED.

- (p) Mr. Graves introduced item (p), which requests authorization of a Second Amendment to the Architectural Agreement with LDA Architects, which increases the amount payable by \$290,000 and

makes related changes, in connection with the design of the Children's Center on Central Block 3 (CB-3) in Yerba Buena Center. LDA, a San Francisco-based minority-owned business enterprise, is the Agency's architect of record for the Children's Center buildings on CB-3 which have an aggregate construction cost of \$28,379,000. The proposed amendment funds a number of additional services which have become necessary during the design and documentation of the buildings in order to fully respond to the programmatic needs of the Children's Place, to optimally integrate the buildings with the overall site and to take advantage of other opportunities to improve the project. The final construction documents are now nearing completion and the Agency expects to bid the project in October. Funds are included in the Agency's Fiscal Year 1993-94 budget and in the overall project budget for the Children's Center. The Commissioners have been provided with an informational memorandum regarding the firm's affirmative action program and other structural, mechanical and design consultants involved in the basic and additional services.

Helen Sause, Project Director, Yerba Buena Center, gave an overview of the major program changes and Thomas Ma, Senior Architect, made a design presentation.

The following persons spoke regarding item (p): Brenda Berlin, Consultant to the Children's Place; Fei Tsen, President of the Board of Directors, Children's Place; and Charlie Walker.

Ms. Berlin and Ms. Tsen reviewed the activities planned for the Children's Place. Ms. Tsen noted that the Board is expecting to hire staff shortly and have been interviewing candidates for the position of Executive Director.

Mr. King noted his concern regarding the firm's affirmative action program because it appears women are taking the place of Black and Hispanic males.

Ms. Sause indicated that LDA Architects has demonstrated a commitment to minority hiring with the contract which reflects 88.6 percent M/WBE participation, the highest among the Yerba Buena Gardens design contracts to date. However, the firm will continue outreach efforts to recruit underrepresented minority group persons.

Mr. Kitahata noted his support of this item, however, he would like staff to report back to the Commission with a broader picture of the Children's Place. The report should include: the status of the total construction budget; the projected operating budget for this fiscal year; and the status of the financing to which the Children's Place is tied into the construction budget.

Mr. Rosales noted his concern that this amendment represents a 9.6 percent increase over the base amount of the contract because the Board of Directors deemed that this type of program was needed and the question is how far is the Commission willing to go in modifying contracts. He indicated he would like guidelines to

address this issue included in the report requested by Mr. Kitahata. With regard to affirmative action, the total is inflated because of the high percentage of women and he would like to see Blacks and Hispanics in the architect category. There are architects in both those communities that could be utilized.

Mr. Walker noted his concern regarding the way Agency staff deals with affirmative action programs in contracts in general because African-Americans are left out of meaningful jobs and the fact that LDA Architects has only one Black architect is unacceptable.

Mr. Kitahata noted for the record that this contract has one of the highest percentages of minorities and women than any of the Agency's other contracts. The issue is that small design teams are involved and small design teams tend to be one ethnic group, which in this case happens to be Asian-Pacific. The goal is to have a diversity of ethnic background in all design contracts.

ADOPTION: IT WAS MOVED BY MR. KITHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-94 BE ADOPTED.

- (q) Mr. Graves introduced item (q), which requests authorization to expend \$1 million for the purchase of a Historic Carousel from Wooden Horse, Inc. of New Mexico for installation on Central Block 3 (CB-3) in Yerba Buena Center. As a result of a great deal of public interest, the Children's Center has long included provision of a carousel. The carousel that has been identified was carved by Charles Loeff, one of the foremost American carousel designers and has a verified value of \$1.5 million. This represents great generosity on the part of the owner, which should be properly acknowledged when the transaction is completed. Due to circumstances surrounding its current location there is an opportunity to purchase the carousel immediately and move it expeditiously to assure its being stored securely for installation when construction is completed. The carousel has recently been restored, however, the contract will be contingent upon the Agency's satisfactory inspection.

Helen Sause, Project Director, Yerba Buena Center, made a presentation and described the carousel in detail. She noted that the Commission will be requested to approve other related items at a future time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-94 BE ADOPTED.

- (r) Mr. Graves introduced item (r), which requests authorization of a Loan Agreement for \$600,000 under the Housing for Opportunities for Persons with AIDS Program (HOPWA) with Chemical Awareness & Treatment Services, Inc. for the acquisition and rehabilitation of a thirty bed transitional housing facility located at 1049 Howard Street for Multi-Diagnosed Homeless Women.
- (s) Mr. Graves introduced item (s), which requests authorization of a Loan Agreement for \$74,300 under the Housing Opportunities for

Persons with AIDS Program (HOPWA) with Dolores Street Community Center to complete the acquisition and rehabilitation of a ten unit residential care facility located at 220 Dolores Street for persons disabled by HIV who require a high level of care.

- (t) Mr. Graves introduced item (t), which requests authorizing of a funding commitment for \$745,900 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with Walden House, Inc. to acquire and rehabilitate 102 Guerrero Street to provide 12 beds of supportive housing for Multi-Diagnosed persons with HIV/AIDS.
- (u) Mr. Graves introduced item (u), which requests authorization of a Loan Agreement for \$707,217 under the Housing Opportunities for Persons with AIDS Program (HOPWA) with Baker Places Residential Treatment Services, Inc. to acquire a three-unit residential property located at 1761-1763-1765 Page Street for eleven beds of transitional supportive housing and permanent housing for Multi-Diagnosed persons with HIV/AIDS.

Ten responses were received to a Notice of Funding Availability issued in May 1994 for the residual funds remaining from the 1992 and 1993 Housing Opportunities for Persons with AIDS grant awards. These funds consisted of funds returned to the Agency by sponsors who were not able to utilize the awards received or funds that had not been previously committed to projects. Agency housing staff presented an evaluation of the applications to the HOPWA Loan Committee who approved the four programs recommended for funding with a number of conditions. The Commissioners have been provided with detailed information on each program, including any conditions or recommendations made by the HOPWA Loan Committee. The supportive service component of the programs recommended for capital funding will be brought before the Commission for approval in the near future.

Deborah Drickerson Cortez, Development Specialist, made a presentation on the programs and sponsors and responded to questions from the Commissioners.

President Kouba noted that he owns an apartment building located at 812 Guerrero Street and he would therefore abstain from voting on item (t).

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (r), RESOLUTION NO. 152-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (s), RESOLUTION NO. 153-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND CARRIED, WITH PRESIDENT KOUBA ABSTAINING, THAT ITEM (t), RESOLUTION NO. 154-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (u), RESOLUTION NO. 155-94, BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that together with Commissioners Rosales and Schilling and Executive Director Graves he attended the regular monthly meeting with Mayor Jordan on July 28, 1994. Also in attendance were Sidney Unobskey, President of the City Planning Commission and Lu Blazej, Executive Director, Department of City Planning. Topics discussed included Base Conversion, Project Areas and potential Survey Areas. The Mayor was very enthusiastic about the Transbay Terminal Redevelopment Survey Area and was provided with a tentative schedule of actions. Boundaries have been agreed upon and a list of potential committee members has been prepared that the Mayor will appoint.

Mr. Graves indicated it had been intended to weave the item of a survey area around the Transbay Terminal and the alternative site for the Caltrain Station at Market and Beale Streets which was scheduled to be heard by the Housing and Land Use Committee of the Board of Supervisors on August 18, however, the hearing has been postponed to September.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with an informational memorandum relating to a public hearing scheduled for August 16, 1994 to consider an amendment to the Western Addition A-2 Redevelopment Plan.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata indicated that he will not be at the August 16 meeting when there will be a report on the Hunters Point Shipyard and his concern that the Agency has two responsibilities: (1) community participation; and (2) to realize the economic realities of getting the work done. He noted that he is not impressed by what he has seen of the work of the economic consultants and he would like the Commissioners to make sure the Agency is getting its money's worth because this is a one time opportunity.
- (b) Mr. Rosales inquired whether any predevelopment loan funds had been disbursed for the Walden House project at 400 Alabama Street which did not go forward and Jack Robertson, Acting Chief of Housing, indicated he would obtain this information from the Mayor's Office of Housing.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding matters pertaining to the Western Addition A-2 Plan Amendment.
- (b) Samuel Murray, Charlie Walker, Kevin Williams, Espanola Jackson and Willie B. McDowell noted their concerns regarding problems encountered in processing a loan application to the Bayview/Hunters Point Economic Development Loan Fund from Ruth Williams of Thro Down Industries.

Mr. Graves indicated that an apology had been made to the applicant for the delay in responding to her July 13, 1994 letter and to advise her that her loan could be made with CDBG funds after March 1, 1995. The delay has been occasioned because according to U.S. Department of Housing and Urban Development (HUD) regulations the service of Kevin Williams, Mrs. Williams son, on the Mayor's Bayview Hunters Point Economic Development Task Force constituted a conflict of interest and a one year waiting period is required before any relation of Mrs. Williams could benefit from any activity of the Task Force. Although Kevin Williams has stated that he resigned from the Task Force in October 1993, the Mayor's Office of Community Development (MOCD) staff advise that minutes of the meetings of the Task Force document his formal participation in Task Force decisions until February 1994.

Mr. Williams noted his concern that he had been informed that the tapes of Task Force meetings held on October 8 and 26 1992, when the issue of conflict of interest was discussed, had been stolen. At that time Kent Sims, the Mayor's Office staff person assigned to the Task Force, categorically stated in response to concerns raised by other members of the Task Force as to whether persons serving on the Task Force would be precluded from applying for loans that the answer is "no" because the role of the Task Force is intended to be advisory and therefore there would be no conflict of interest applicable to any member of the Task Force. He indicated that due to controversy surrounding a different loan he resigned from the Task Force as the Chair and as a member in September 1993. He noted the accomplishments of his mother over the years and her contribution to the community.

Following an extensive discussion ensued between the Commissioners and the speakers, it was the consensus of the Commission that staff further investigate the circumstances surrounding the delay in processing the Thro Down Industries loan and that a definition of HUD conflict of interest regulations be provided.

President Kouba requested that staff also investigate whether there are other sources of funding available that are not HUD related.

Minutes of a Regular Meeting, August 2, 1994

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54957 on personnel with respect to the following positions: Deputy Executive Director and Project Managers.

RECESS

It was moved by Mr. Stern, seconded by Mr. Rosales, and unanimously carried that the meeting be recessed to Closed Sessions on Personnel. The meeting recessed at 6:20 p.m.

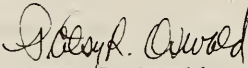
RECONVENED

At this time, 7:31 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:32 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 13, 1994

31
R35
H4
8/16/94

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF AUGUST, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of August, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Leroy King
Cynthia Choy Ong
Clarence R. Stern

and the following were absent:

Manuel A. Rosales, Vice President
Gary Kitahata
Leslie T. Schilling (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Charlie Walker; Rudy Nothenberg, Chief Administrative Officer (CAO); Rebecca Kohlstrand, CAO's Office; Eula Walters, Citizens for Open Space; Patricia Di Giorgio, World Center; Carl Maletic, DeMars & Maletic, Architects/Urban Planners; Norman Rolfe, San Francisco Tomorrow; Clark Manns, Vice Chair, Mid-Embarcadero Open Space Project; Kathy Berger, Alice Wadlington, Paul Lew, Richard Livingstone and Art Evans, North of Market Planning Coalition; K. Jeune Booker, Freedom West Housing; Arnold Townsend; Palmer D. Sessel, Western Addition Neighborhood Association (WANA); Rosita Angulo, 2261 Bush Street Homeowners Association; Robert Spear, Beideman Area Neighborhood Group (BANG); Mary Helen Rogers; James Jefferson, The Jefferson Company; Naomi Gray, Charles Collins and Martin Diamond, Mayor's Western Addition/Fillmore Economic Development Task Force; Olsen Lee and John Hudson, Mayor's Office of Housing; Donna Wong, Mercy Charities; Charmaine Curtis, Catholic Charities; Ned Topham and Lorraine Garcia-Nakata, Center for the Arts at Yerba Buena Gardens; Mary Helen Rogers; Arnold Townsend; Essie Collins; Al Williams; Carl Antonio, Earth Island Institute; Scott Madison, Mayor's Hunters Point Shipyard Citizens Advisory Committee; Samuel Murray; Kevin Williams; Cati Okorie, ARC/New Bayview Committee; James C. Herndon and Aaron Coleman, Phoenix Operations; James L. Martin, Office of the Mayor, Committee for African American Parity; Wayne M. Corn, Planning Association for Divisadero Street; Ocie Mae Rogers; E. Carson, A.F. Evans Co.; Kim King, Ed Westermann and Kevin Karraway, King Securities; Morton Beebe; Marie Zeller; Alvin Hom, Asian, Inc.; Katherine Nash; M. Hall; and Richard Allman.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) Byron Rhett, Project Coordinator, Hunters Point Shipyard, introduced item (a), the purpose of which is for a report on the Hunters Point Shipyard Land Use Planning process. The reuse planning effort for the Shipyard is at a critical stage. For the next six months staff will refine the preferred development alternative and by March 1995 will have developed a Final Draft Plan which the Navy will use as the basis for its Joint Environmental Impact Statement (Federal) and Environmental Impact Report (State). In addition to the Draft Final Plan, the Agency will be preparing for the transfer of Parcel A and management responsibilities for the Shipyard from the Navy. In the next six months the Agency will negotiate a contract with a community based nonprofit corporation for management of the Shipyard. Agency staff will help develop the management program and supervise the nonprofit until it fully develops its management capacity. Agency management of the base is also an opportunity for community based economic development. Economic Development staff are programming approximately \$800,000 targeted for the Shipyard. The Commissioners have been provided with an explanation of the proposed work program for the next six months and future anticipated Commission actions.

Ms. Schilling arrived at this time, 4:20 p.m.

Mr. Rhett gave an overview of the major elements of the proposed work program and responded to questions from the Commissioners.

Charlie Walker noted his concern that the Redevelopment Agency is the lead agency for the Shipyard because of its insensitivity to the needs of African Americans. He requested a loan application by Ruth Williams of Thro Down Industries discussed at the August 2, 1994 meeting be calendared as an agenda item.

Mr. Graves indicated that it is staff's intention to bring this matter before the Commission at the August 30, 1994 meeting.

- (b) Byron Rhett, Project Coordinator, Hunters Point Shipyard, introduced item (b), which requests authorization of an amendment to the Personal Services Contract with Simon Martin Vegue Winkelstein Moris (SMWM) in an amount of \$120,000 to complete additional Planning Communications Services to complete land use planning effort for Hunters Point Shipyard. The initial contract in an amount of \$190,000 was authorized in November 1993 for services which included graphics materials in support of the development of a land use plan for the Shipyard. A lapse in funding as the Agency's Office of Base Closure awaited funding from the Department of Defense prevented the Department of City Planning from participating in the land use process. This resulted in SMWM being requested to perform significant planning activities and prepare planning materials that were not included

in the original scope of work for the contract. The proposed amendment is necessary to compensate SMWM for tasks already completed and for additional services necessary to complete the land use planning efforts for the Shipyard. Failure to proceed would have negatively impacted the project's schedule and further delayed the production of a reuse plan which is critical to the clean-up schedule prepared by the Navy's remediation consultants.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

Mr. Graves requested that Consent Agenda item (b), awarding Contract II-D South Beach Park, Phase I, to Bauman Landscaping, Inc. in an amount not to exceed \$2,623,926.50, be continued to August 30, 1994. He noted that there is not an issue relating to the contract itself, however, exercising the option for the park is still being discussed with the Port.

Ms. Ong indicated that she would like to see items calendared as Regular Agenda items when such large expenditures are involved and Mr. Graves indicated this procedure will be adhered to in the future.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, CONSENT AGENDA ITEM (b), RESOLUTION NO. 156-94, WOULD BE CONTINUED TO THE MEETING OF AUGUST 30, 1994 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meetings of May 17 and July 12, 1994.
- (c) Awarding Market Street Fence Contract to J.M. Construction for the construction of a structural steel and wood fence on Market Street along the frontage of the CB-1 parcel, in an amount not to exceed \$43,000; Yerba Buena Center.
- (d) Authorizing a Personal Services Contract in an amount not to exceed \$57,000 with King Security Services, Inc. for patrol services at South Beach Harbor and South Beach Park Phase I; Rincon Point-South Beach.
- (e) Amending Resolution 100-92 to add certain classifications and salaries in connection with the proposed reorganization of the Agency.
- (f) Approving a Grant Agreement for \$25,000 with the Yerba Buena Gardens Marketing Alliance; Yerba Buena Center.
- (g) Authorizing the expenditure of \$55,600 for the first annual option to renew services under the three year Personal Services Contract

with KMPG Peat Marwick and its Joint Venture Partner Williams
Adley & Company for the audit of the Agency's Financial Records.

- (h) Requests authorization to request a Budget Amendment from the Board of Supervisors adding two Assistant Development Specialist positions to be funded by and for the Federal Housing Opportunities for Persons with AIDS Program.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (c) THROUGH (h), RESOLUTION NUMBERS 157-94 THROUGH AND INCLUDING 162-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (i) Mr. Graves introduced item (i), the purpose of which is for a presentation on the Final Report on the Mid-Embarcadero Open Space (MEOS) Project by the Office of the Chief Administrative Officer's (CAO) Waterfront Transportation Projects Office. This presentation is one of several being made by the Waterfront Transportation Projects Office to various City commissions which have some involvement in the proposed project. A major portion of the area in the MEOS is within the Golden Gateway Redevelopment Project Area and any modifications in existing open space or possible land use changes within the project area may require amendment of the Redevelopment Plan and Agency approvals. Of the several financing strategies analyzed to implement the Project, the potential expansion of the Golden Gateway Project Area and utilization of tax increment financing appeared to be the most logical option and the report therefore recommends that the Agency initiate appropriate steps to expand the Golden Gateway Project area and amend the Redevelopment Plan, which actions would require subsequent approval by the Board of Supervisors.

Rudy Nothenberg, Chief Administrative Officer (CAO), and Rebecca Kohlstrand, CAO's Office, made presentations and responded to questions from the Commissioners.

The following persons spoke regarding item (i): Eula Walters; Citizens for Open Space; Patricia Di Georgio, World Center; Carl Maletic, DeMars & Maletic, Architects/Urban Planners; Norman Rolfe, San Francisco Tomorrow; and Clark Manns, Vice Chair, MEOS.

Mr. Graves indicated that the Commissioners will be provided with informational reports before being requested to take action.

- (j) Mr. Graves introduced item (j), the purpose of which is for a presentation of the Tenderloin Neighborhood Strategic Plan from San Francisco's Enterprise Community Application. In June 1994, on behalf of the City, the Agency submitted two applications requesting designation of six San Francisco neighborhoods as Federal Enterprise Communities. The primary thrust of the applications is a community based Strategic Plan for each of the neighborhoods, each of which undertook an intensive neighborhood planning process. Each neighborhood will present a summary of its

plan to the Commission at Commission meetings over the next two months. The North of Market Planning Coalition (NMPC) was the lead agency for the Tenderloin Strategic Planning process. The Commissioners have been provided with a copy of the Tenderloin Plan which presents strategies and specific actions for addressing identified needs.

Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced representatives of the NMPC, who made presentations on matters relating to the Tenderloin.

Kathy Berger, Executive Director, made a general presentation; Alice Wadlington, President of the Board of Directors, spoke regarding housing; Paul Lew, member of the Board of Directors, spoke regarding public safety; Richard Livingstone, Chair, NMPC, Economic Development Task Force and Art Evans, Chinese Community Housing Corporation, spoke regarding economic development plans for the Tenderloin.

Mr. Evans noted that \$316,000 owed to the Agency on its remaining debt for 201 Turk Street is about to be paid off and requested using that money for setting up a program to clean the streets, paint the Cadillac Hotel and secure Baskin and Robbins Ice Cream store as a tenant in the commercial space. These items would go far in creating an atmosphere conducive to business development and to make the neighborhood more livable for residents.

At President Kouba's request, Kent Sims, Deputy Executive Director, Economic Planning and Development, explained why two applications were filed on behalf of the City and noted this process was followed in order to include all neighborhoods.

The Commissioners indicated that they were impressed with the speaker presentations and noted their support of revitalization of the Tenderloin and the economic initiatives proposed by Mr. Evans.

Ms. Berger requested a letter of support be sent to the Community Development Block Grant (CDBG) Citizens Advisory Committee in support of the NMPC's application for CDBG funding for 1995.

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. STERN, THAT A LETTER OF SUPPORT BE WRITTEN AS REQUESTED BY MS. BERGER.

- (k) Public Hearing to hear all persons interested in the American Disabilities Act (ADA) Transition Plan for 770 Golden Gate Avenue and the South Beach Harbor.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (k), which requests approval of an Americans with Disabilities Transition Plan for 770 Golden Gate Avenue and the South Beach Harbor in Rincon Point-South Beach. The ADA requires that a Transition Plan be prepared and offered

for public review and comment to ensure that facilities operated by the Agency meet ADA requirements. The plan has been developed with the assistance of the City's Department of Public Works Bureau of Architecture and focuses on improving accessibility to public areas. It has also been reviewed by the Mayor's ADA Coordinator. A major portion of the work can be completed by January 25, 1995 and certain moderate improvements would be completed by October 1, 1995, the date of lease renewal space with the Credit Union. The total implementation costs are estimated to be \$27,700 for 770 Golden Gate and \$29,000 for the South Beach Harbor. It is anticipated that some of the costs for the improvements at 770 Golden Gate would be negotiated as part of an extension of the lease agreement and that other costs would be paid from the Agency's operating budget. Because at least one interested disabled group did not receive notice of this hearing until last weekend, staff is requesting that the public hearing and action be continued until September 13, 1994 to allow additional time for public input.

James Nybakken, Administrative Services Officer, gave an overview of the Transition Plan and responded to questions from the Commissioners.

Ms. Ong requested a report on options in terms of new facilities.

Mr. Graves indicated that staff is in the process of reviewing options and will be briefing the Commission on this matter later in the year.

Mr. Graves requested item (k) be continued to assure there has been proper notification.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 163-94, AND THE PUBLIC HEARING BE CONTINUED TO SEPTEMBER 13, 1994.

- (1) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment for the Western Addition Redevelopment Project Area A-2.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (1), which requests approval of the Addendum to the Report on the Redevelopment Plan Amendment for the Western Addition Redevelopment Project Area A-2 and authorization to transmit it to the the Board of Supervisors.

- (m) Mr. Graves introduced item (m), which requests approval of the proposed Redevelopment Plan Amendment for the Western Addition A-2 and authorization to transmit it to the Board of Supervisors.

Subsequent to its approval by the Board of Supervisors in October 1964, the Redevelopment Plan has been amended on five occasions. It is due to expire on October 13, 1994 and should no action occur

by that date to extend the term, the Agency will lose its ability to shape new development efforts and to expend tax increments. The proposed Redevelopment Plan Amendment would extend the time for: performance of redevelopment activities; incurring debt; and receipt of tax increments to repay the debt. The Plan Amendment would also result in an extension of time for eminent domain proceedings and an increase in the amount of tax increment dollars which may be allocated to the Agency by the Board of Supervisors. The Commissioners have been provided with the issues raised by the community and staff responses. Prior to ultimate adoption, a public hearing must be held on the proposed Amendment by the Board of Supervisors and, upon adoption by the Commission, it will be submitted to the Board for its consideration.

Shirley Wysinger, Project Coordinator, Western Addition A-2 gave an overview of activities undertaken by staff related to the proposed Plan Amendment.

Tom Conrad, Chief, Planning and Programming, described the Plan Amendment in detail and noted actions the Commission will be requested to take in the future.

The following persons spoke regarding items (1) and (m): K. Jeune Booker, Freedom West Housing; Arnold Townsend; Palmer D. Sessel, Western Addition Neighborhood Association (WANA); Rosita Y. Angulo, 2261 Bush Home Homeowners Association; Robert Spear, Beideman Area Neighborhood Group (BANG); Mary Helen Rogers; James Jefferson, The Jefferson Company; Naomi Gray and Charles Collins, Mayor's Western Addition/Fillmore Economic Development Task Force.

The speakers noted their support of the Plan Amendment because of the need for the Agency to complete its program in the Western Addition and assist people displaced by the Agency. The importance of community participation was emphasized and the need for different programs and preservation of the African American community.

Ms. Angulo read a letter dated August 15, 1994 into the record from the 2261 Bush Street Homeowner's Association requesting a notification procedure which will protect the rights of interested parties to comment on future developments in the A-2 area be included in the Plan Amendment. She noted her concern regarding a 36 unit development at 2295 Bush Street, which will adversely affect light and air access of several of the 2261 Bush Street units.

Shirley Wysinger, Project Coordinator, Western Addition A-2, noted that staff has arranged for concerned parties to meet with developer representatives of the 2295 Bush Street development to address concerns raised. She noted that there is no public money involved in the project and nothing can be asked except for the good will of the developer. With respect to the request to add language to the Plan Amendment regarding notification procedures, rather than include it in the document, staff believes this is a Commission policy issue.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Graves noted that the proposals made by the Homeowners Association are similar to current City requirements, however, at the time the Redevelopment Plan was adopted those requirements were not in place. He suggested that the Commission adopt notification requirements to apply to all redevelopment project areas as a policy matter, rather than amending the A-2 Plan Amendment.

Following an extensive discussion between the Commissioners and staff regarding notification procedures, the following motion was made:

MOTION: IT WAS MOVED BY MS. ONG, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT THE COMMISSION ADOPT A NEW NOTIFICATION POLICY TO APPLY TO ALL REDEVELOPMENT PROJECT AREAS.

Mr. King indicated that there are social as well as business needs in the Western Addition and he is pleased to see everyone working together:

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT THE COMMUNITY BE NOTIFIED OF THE BOARD OF SUPERVISORS' HEARING ON THE WESTERN ADDITION A-2 PLAN AMENDMENT.

Ms. Ong requested a report on "Land Banking".

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (1), RESOLUTION NO. 164-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. STERN, CARRIED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (m), RESOLUTION NO. 165-94 BE ADOPTED.

- (n) Olsen Lee, Mayor's Office of Housing, introduced item (n), which requests authorization of a \$1,502,785 Grant and Regulatory Agreement to Mercy Charities Housing California, Inc. for acquisition and rehabilitation of Richmond Hills Family Center located at 6324 Geary Boulevard as part of the Citywide Tax Increment Housing Program. The Citywide Affordable Housing Loan Committee and other financing sources have approved grant commitments to Mercy Charities who propose to acquire and convert an existing emergency shelter in the Richmond District into a longer-term transitional housing facility with related services for homeless families provided by Catholic Charities. Mercy Charities currently leases the property for the emergency family shelter, which has operated at this location since 1991.

Jim Buick, Department of Social Services, gave an overview of the City's homeless programs.

Donna Wong, Catholic Charities, described the services the project will provide.

Mr. Lee introduced Charmaine Curtis, Mercy Charities, and John Hudson, Mayor's Office of Housing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-94 BE ADOPTED.

- (o) Olsen Lee, Mayor's Office of Housing, introduced item (o), which requests authorization of a \$114,620 Grant Amendment to Travelers Aid Society of San Francisco in connection with the acquisition and rehabilitation of a 13 unit property at 111 Page Street as part of the Citywide Tax Increment Housing Program. The project will serve formerly homeless very low income single parent families and others in a supportive housing environment. Rehabilitation is scheduled to be completed and the property ready for occupancy by December 15, 1994. The grant agreement has been approved by the Citywide Affordable Housing Loan Committee. The Agency Commission previously approved a \$725,000 acquisition grant to Travelers' AID in 1993 to buy the property. Representatives of Travelers' Aid Society are here to respond to questions.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-94 BE ADOPTED.

- (p) Helen Sause, Project Director, Yerba Buena Center, introduced item (p), which requests approval of a Programming Agreement with the Center for the Arts (Center) and the 1994-95 Budget in an amount not to exceed \$200,000 in connection with Yerba Buena Gardens. The proposed agreement will enable the Center to schedule requests for use of the Gardens and to program events. The Center will present an annual program of events and provide the management structure necessary to support various community activities. Fee revenues will be used to support programmed events and offset staff costs. It is intended Gardens programming will become a self-supporting activity in the next three to five years. The agreement, which has been endorsed by the Center's Board and the Yerba Buena Gardens Policy Advisory Group, will be evaluated annually. Funds for the \$200,000 budget are available in the Agency's 1994-95 budget.

Lorraine Garcia-Nakata, read a statement into the record from Ned Topham, President of the Center's Board of Directors, requesting approval of item (p).

President Kouba noted and he and Ms. Ong serve on the Center for the Arts Board, however, Agency General Counsel has indicated that this does not constitute a conflict of interest because there is no financial gain.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-94 BE ADOPTED.

- (q) Mr. Graves introduced item (q), which requests authorization of a Personal Services Contract in an amount not to exceed \$55,000 with the Planning Association for Divisadero Street (PADS) to enable the Association to serve as fiscal agent for The Western Addition Society, Sponsor of the Second Annual Victorian "Celebration of the Season" from November 25, 1994 to January 1, 1995 in connection with the Western Addition A-2 Redevelopment Project. The Celebration of the Season is a month long series of events which enhances the overall image of the Western Addition and advances the Agency's economic development goals for the area. The event will generate new revenues for neighborhood businesses and offer some new employment opportunities to community residents. Funds are available in the Agency's fiscal year 1994-95 budget.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. SCHILLING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-94 BE ADOPTED.

- (r) Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced item (r), which requests authorization of an amendment to the Western Addition Economic Development Implementation Plan to allocate an amount not to exceed \$800,000 to establish a Master Leasing Program for the lower Fillmore Street corridor in the Western Addition A-2. In February 1994, a Letter Agreement was authorized with the Mayor's Fillmore/Western Addition Economic Development Task Force which required the Agency provide an economic development consultant for the Western Addition A-2 Project Area to develop a plan to revitalize the Fillmore commercial corridor between Geary and Turk Streets. Upon the recommendation of the Task Force, the Commission approved a contract with the Jefferson Company to provide the required services. The Jefferson Company subsequently submitted a plan to the Task Force proposing the Agency master lease available commercial space on lower Fillmore Street for the purpose of subleasing that space to target businesses that promote an "Old Fillmore Jazz District Theme". The consultant believes that a jazz related designation is appropriate because it has strong connections with the African American community, market appeal outside the African American community, and an established Bay Area following. In order to reserve key opportunity sites, the Task Force and the consultant recommended the Agency obtain master leases for available storefronts in the Gateway Block. Staff contacted the three owners that control most of the property in the Gateway Block who indicated a willingness to cooperate with the program and they have been advised that the Commission will consider approval of the master lease program on August 16. The current balance of the Western Addition Economic Development fund of \$1.375 million is allocated to two small business loan programs. It has been determined that \$800,000 would sustain the master leasing program for three years, leaving an approximately balance of \$500,000 in the economic development fund that could be used to finance tenant improvements, marketing and business loans. Upon approval of the Master Lease Plan, staff will initiate negotiations with the property owners and provide the Commission

with the terms and conditions for each lease as well as each subsequent sublease.

James Jefferson made a presentation on the master leasing program and responded to questions from the Commissioners. He noted there is a risk involved, however, he believed the proposed approach should be taken because this is an opportunity that will not be occur again and the key is to be able to move forward and secure control over the space. He suggested "Land Banking" was not unreasonable.

The following persons spoke in support of item (r): Naomi Gray, Mayor's Western Addition/Fillmore Economic Development Task Force; Mary Helen Rogers; Arnold Townsend; and Essie Collins.

Ms. Schilling noted her concern that \$800,000 may not be a sufficient amount and she would not like to find out later that funds not budgeted are needed for tenant improvements.

Mr. Jefferson indicated that \$800,000 is a sufficient amount to land bank space until appropriate subleases are in place.

Mr. King noted his support for this plan and opposition to institutions coming into the Fillmore area, such as Kaiser.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-94 BE ADOPTED.

- (s) Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced item (s), which requests authorization of a Personal Services Contract in an amount not to exceed \$10,000 with the Agape Foundation to enable the Foundation to serve as the fiscal agent for the Arms Control Research Center (ARC) for Business Plan Development Services necessary to establish the Bay Area Recycling Complex (BASRC) in connection with the Hunters Point Shipyard.
- (t) Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced item (t), which requests authorization of a Personal Services Contract in an amount not to exceed \$10,000 with Agape Foundation to enable the Foundation to serve as the fiscal agent for the Arms Control Research Center (ARC) for the development of a model Community Contracting and Employment Review Board (CCERB) to provide local community participation in the award of toxic remediation contracts at closing military bases to assure local contractors a fair share of subcontracting opportunities and local residents a fair share of job opportunities at the Hunters Point Shipyard.

ARC is a nonprofit association active in regional environmental and base conversion activities that is in the process of incorporating as a California nonprofit. Grants to ARC are made through the Agape Foundation, which routinely acts as ARC's fiscal agent. ARC has been working with Agency staff, community

representatives, the U.S. Navy, and organized labor to develop the Bay Area Ship Recycling Complex (BASRC). BASRC would use facilities of three closing military bases for shipbreaking to provide jobs to Bay Area workers displaced by base closure and to encourage maintenance and modernization of the facilities of former military bases and is requesting \$10,000 to finance business plan development services required for the preparation of applications for federal funds to implement BASRC. ARC also is developing a model Community Contracting and Employment Review Board (CCERB) to address the lack of local community oversight in awarding of toxic remediation contracts at closing military bases and the limited participation of local contractors and workers in contractual clean-up activities. ARC is requesting Agency funding in an amount not to exceed \$10,000 to complete work on the model CCERB proposal. Congresswoman Pelosi has agreed to draft and sponsor federal legislation to implement the CCERB model developed by ARC.

Mr. Sims distributed a list of letters received in support of items (s) and (t).

President Kouba noted that speaker cards had been submitted by: Al Williams; Carl Antoni, Earth Island Institution; Scott Madison, Mayor's Hunters Point Citizens Advisory Committee; Samuel Murray; Kevin Williams; and Cati Okorie, ARC/New Bayview Committee. However, the speakers have relinquished their right to speak in view of unanimous Commission support of these items.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (s), RESOLUTION NO. 171-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (t), RESOLUTION NO. 172-94, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matter:

- (a) In response to issues raised by Mr. Kitahata, the Commissioners have been provided with an informational memorandum regarding the advantages and disadvantages of Agency ownership of affordable housing assets when the primary funding source is tax increment funds.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. King noted his concern at the voluminous paper work the Commission has to deal with and the lengthy meetings that result from meetings being held bi-monthly.

President Kouba indicated that bi-monthly meetings have been scheduled due to vacations.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) James C. Herndon, Phoenix Operations, noted his concerns regarding a Request for Proposals (RFP) issued for security guard services at the South Beach Harbor in Rincon Point-South Beach. He noted that the contract had been awarded to a competitor based upon lowest bid received. However, the RFP did not indicate that the fee was the determining factor and he would like to see the criteria laid out more clearly. He introduced Aaron Coleman, Phoenix Operations.

Mr. Graves indicated that Mr. Herndon's point is well taken regarding RFP criteria.

President Kouba announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment. Property locations and entities the Agency may negotiate with are:

block bounded by Brannan and the Embarcadero in Rincon Point-South Beach with Delancy Street Foundation; and

portion of the block bounded by 10th, 11th, Market and Mission Streets with Bank of America NTSA.

There will also be a Closed Session pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The party threatening to initiate litigation is Mutual of New York as owner of Yerba Buena West, Yerba Buena Center.

RECESS

It was moved by Mr. Stern, seconded by Ms. Ong and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Threatened Litigation. The meeting recessed at 8:05 p.m.

RECONVENED

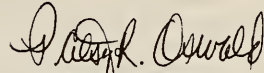
At this time, 9:01 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

Minutes of a Regular Meeting, August 16, 1994

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:02 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" and last name "Oswald" clearly distinguishable.

Patsy R. Oswald
Agency Secretary

APPROVED

September 27, 1994

31
P35
#4
8/30/94

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF AUGUST, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of August, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

and the following was absent:

Leslie T. Schilling

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Alex Pitcher, President, SBCDC; Kathryn Devincenzi, Murphy Properties, Inc.; Alex Tse, City Lunch Restaurant; Vincent Tov, U.S. Trading Company; Frank Cvdtovac; Darryl Diamond, Cahill Contractors; Charlie Walker; Nathan Apple; Charlie Cunningham, Cunningham Moving and Storage; Dehnert Queen, Small Business Development Corporation; Marshall Sanders, Candlestick Double Rock Community Association; Aurea Luis Carnes, SBCDC; Joseph Devincenzi, Murphy Properties; Harold B. Brooks, Jr., SEED Group; Samuel Murray, President, New Bayview Committee; Arelious Walker, Bayview Hunters Point Development Group; Ace Washington, WAPAC; Ocie Mae Rogers; Leon Thibeaux, A.B.U.; D. Nguyen, City Debris Box Service; Marie Harrison; Mike Garcia; Mary Ratcliff, New Bayview Newspaper; Willie Ratcliff, African American Contractor; Karen Huggins, Commissioner, San Francisco Housing Commissioner; Espanola Jackson; A. Jacquie Talisferro, Film Maker; Al Williams; Anastasia Maxwell; Rev. John H. Lane; Yvette McCoy and Robert Arrington, Future Perfect, Inc.; Taylor Grove, San Francisco Federal Savings and Loan (FSL); Larry Shockey; President, Hillside Village Homeowners Association; James Richard; Darryl Bishop; Leon Thibeaux, A.B.U.; Hazel King; Kathryn Williams, TDI; Arnold Townsend; Kevin Williams; Christopher Albert, Bay Area Black Contractors Association; Gordon Frazier; Millard Larkin; Eric Williams; George Williams; Keith Williams; Aurea Luis Carnes; Nathaniel Mason, Jr.; Frank Taylor; Tim Williams; Mary and Willie Ratcliffe; Dick Dorais, Turner Construction Company; Vincent Walsh, Santos & Urrutia United Coast Management; Fei Tsen, Chair, Children's Center Board of Directors; Larry Andrews, San Francisco Housing Authority; Thomas Calvanese, Lutheran Social Services; Ellen Benjamin and Mary Brisco,

Panhandle Residents Organization; Stephen Fields, Progress Foundation; Steve Nasser, Mortgage Banker for Future Perfect, Inc.; James Richard; Greg Nerland, Attorney for Future Perfect, Inc.; Willie B. McDowell; Freddie Parsons; Wardell Fincher; Beatrice Dunbar; Wesley Johnson; Harvey Matthews; Marshall Sanders; Toye Moses; Betty Woods; Bill Marquis; Sylvia Wade; Ella Stoneham-Brown; and Sy Allen, SEED Group.

Representing the press were: Gerald Adams, San Francisco Examiner; John King, San Francisco Chronicle; and Michael Learmonth, Berkley Gaduate School of Journalism.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests authorization to award Contract IID South Beach Park, Phase I, to Bauman Landscaping, Inc. for the construction of improvements near the south end of the Embarcadero adjacent to South Beach Harbor, in an amount not to exceed \$2,623,926.50. It is recommended this item be continued for two weeks.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 156-94, WOULD BE CONTINUED TO SEPTEMBER 13, 1994 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

At Mr. Kitahata's request, Consent Agenda item 3 (b) was removed from the Consent Agenda and considered as a Regular Agenda item.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meeting, July 26, 1994.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Graves introduced item (b), which requests authorization to amend Resolution No. 240-91, which authorized the issuance of the 1992 General Obligation Notes, to allow the transfer of \$145,000 from the Cost of Issuance Fund to the Redevelopment Fund. In 1992 the Commission approved the sale of \$30 million in General Obligation Notes. The Cost of Issuance of Fund created pursuant to this bond issue was over-funded. Since all costs of issuance have been paid, the Agency desires to withdraw all remaining funds and apply such monies to on-going Agency activities.

Mr. Kitahata requested that the resolution be amended to indicate that the funds will be used for construction and/or operations of the Children's Place on Central Block 3 in Yerba Buena Center.

Should such funds not be needed for this purpose, they could then be used for any other permitted redevelopment purpose within the Yerba Buena Center Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-94, AS AMENDED, BE ADOPTED.

- (c) Mr. Graves introduced item (c), the purpose of which is for a presentation on Bayview Hunters Point Strategic Plan from San Francisco's Enterprise Community Application. It is recommended this item be continued.

Dehnert Queen, Small Business Development Corporation, spoke regarding item (c).
- (d) Mr. Graves introduced item (d), which requests approval of a resolution recommending to the Board of Supervisors designation of a Survey Area in the South Bayshore Community.
- (e) Mr. Graves introduced item (e), which requests recognition of the South Bayshore Community Development Corporation (SBCDC) as the Citizen Participation Organization for the survey area planning efforts in the South Bayshore Community Plan Area and authorization of a Personal Services Contract in the amount of \$400,000 with the SBCDC for survey efforts in the South Bayshore Community Plan Area.

After a seven year period of study and public hearings, in 1994 the City Planning Department published the South Bayshore Plan for Citizen Review Plan, a master plan element that covers all aspects of the community's development and the plan was presented to the Commission on July 12, 1994 by City Planning Department staff. Staff has been meeting over the past year with representatives of SBCDC to study, review and develop an approach towards designation of the South Bayshore as a redevelopment survey area and the Corporation clearly understand the need for ongoing dialogue with the greater community. The community is overwhelmingly supportive of the policies proposed in the South Bayshore Plan and it is believed this is an appropriate time to request the City to designate a survey area so these policies can be implemented. Under the Personal Services Contract the SBCDC will be responsible for several activities that include: conduct bi-monthly community-wide meetings; attend general information meetings of organizations having involvement in community-wide affairs within the South Bayshore area; refine and focus the needs of the South Bayshore community and produce a needs assessment; provide a linkage between intergovernmental agencies and legislative bodies for the purpose of developing a redevelopment project area; produce comprehensive employment and training programs; prepare comprehensive housing, rehabilitation and economic revitalization programs; assist in development of a Business Development Plan for Third Street; assist in preparation of recommendations on transportation; plus produce and distribute a quarterly

newsletter. The term of the contract is for one year in an amount not to exceed \$400,000.

Shirley Wysinger, Project Coordinator, South Bayshore, gave an overview of the South Bayshore Plan and its objectives.

The following persons spoke regarding items (d) and (e): Alex Pitcher, President, SBCDC; Kathryn Devincenzi, Murphy Properties, Inc.; Alex Tse, City Lunch Restaurant; Vincent Tov, U.S. Trading Company; Frank Cvdtovac; Darryl Diamond, Cahill Contractors; Charlie Walker; Nathan Apple; Charlie Cunningham, Cunningham Moving and Storage; Dehnert Queen, Small Business Development Corporation; Marshall Sanders, Candlestick Double Rock Community Association; Aurea Luis Carnes, SBCDC; Joseph Devincenzi, Murphy Properties; Harold B. Brooks, Jr., SEED Group; Samuel Murray; Arelious Walker, Bayview Hunters Point Development Group; Ace Washington, WAPAC; Ocie Mae Rogers; Willie B. McDowell; Leon Thibeaux, A.B.U.; D. Nguyen, City Debris Box Service; Marie Harrison; Mike Garcia; Mary Ratcliff, New Bayview Newspaper; Willie Ratcliff, African American Contractor; Karen Huggins, Commissioner, San Francisco Housing Commissioner; Espanola Jackson; A. Jacquie Talisferro, Film Maker; Al Williams; Anastasia Maxwell; and Rev. John H. Lane.

RECESS

President Kouba announced that there would be a brief recess. The meeting recessed at 6:20 p.m. and reconvened at 6:30 p.m. with the same roll call.

After an extensive discussion between the Commissioners regarding concerns raised by several speakers, the following motion was made:

MOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT APPROVAL OF THE PERSONAL SERVICES CONTRACT BE CONDITIONED UPON AN INCREASE IN THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF THE SOUTH BAYSHORE COMMUNITY DEVELOPMENT CORPORATION (SBCDC) TO INCLUDE REPRESENTATION FROM THE BROADER SOUTH BAYSHORE COMMUNITY IN PARTICULAR, REPRESENTATIVES OF INDUSTRIAL BUSINESSES AND FROM OTHER ETHNIC GROUPS INVOLVED IN THE COMMUNITY AND THAT THE PERSONAL SERVICES CONTRACT BE RETURNED TO THE COMMISSION FOR FINAL APPROVAL AFTER THE BOARD OF DIRECTORS HAS BEEN AUGMENTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 174-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 175-94, AS AMENDED, BE ADOPTED.

Mr. Rosales left the meeting at this time, 7:00 p.m.

- (f) Mr. Graves introduced item (f), which requests authorization to reject all responses to the Request for Qualifications (RFQ) issued for the development of the Keith Street Parcel located on the south side of Keith Street at Hudson Avenue in Hunters Point. The only submission received to an RFQ issued in October 1993 for the development of market-rate housing from Future Perfect, Inc., was found to be unresponsive. Since this was the only response, staff allowed the developer to submit additional information, however, upon reviewing all the additional information provided, staff believes that the qualifications submitted do not meet the established criteria.

Michele Davis, Development Specialist, provided background information on the Agency's past association with the developer and noted that the reasons staff does not recommend entering into exclusive negotiations with Future Perfect are based upon: performance of development team members on past projects; failure of the developer to respond to the RFQ in a timely manner; insufficient evidence of financial capacity; and the use of excessive staff resources on past projects by this developer. She noted that the Commissioners have been provided with detailed written information on these issues.

The following persons spoke regarding item (f): Yvette McCoy, Future Perfect, Inc.; Taylor Grove, San Francisco Federal Savings and Loan (FSL); Robert Arrington, Project Consultant, Future Perfect, Inc.; Larry Shockey, President, Hillside Village Homeowners Association; Charlie Walker on behalf of James Richard; Darryl Bishop; Leon Thibeaux, A.B.U.; and Hazel King.

President Kouba noted that Mary and Willie Ratcliffe had to leave due to time constraints, however, they have indicated support for the Future Perfect project.

Ms. McCoy noted that Gene Suttle and Dan Collins could not be present but have indicated support for the proposed project. She provided information on Future Perfect's track record and addressed issues raised by staff. She noted that written evidence has been submitted of interest in providing a construction loan by San Francisco Federal Savings and Loan (FSL).

Mr. Grove confirmed FSL's interest in providing a construction loan.

Mr. Arrington responded to questions from the Commissioners regarding issues raised by staff.

Following a discussion between the Commissioners and staff, it was the consensus of the Commission that staff work with the developer one more time prior to re-issuing an RFQ for the Keith Street parcel in an effort to determine whether Future Perfect can satisfy the conditions necessary to warrant a recommendation that the Agency enter into Exclusive Negotiations for this project.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-94 BE TABLED.

- (g) Mr. Graves introduced item (g), the purpose of which is to review Thro Down Industries' (TDI) application to the Bayview Hunters Point (BVHP) Loan Program for a \$200,000 working capital loan. As directed by the Commission in response to concerns raised by several members of the public at the August 2, 1994 Agency meeting, staff has reviewed the circumstances pertaining to the TDI loan application and provided all relevant information to the Commission. It should be noted that the Commission expressly delegated authority to approve or disapprove loans made through the BVHP Loan Program to the Title IX Loan Board, but the TDI loan application does not provide sufficient information for the Mayor's Office of Community Development (MOCD) to make a recommendation regarding the loan request to the Loan Board. Difficulties were encountered because the BVHP Loan Program procedures established by the Commission were not followed by the loan packager, Urban Economic Development Corporation (UEDC), the program administrator (MOCD), the Bayview Hunters Point Task Force or Agency staff. In addition, TDI was not promptly advised of the deficiencies in its loan application, the conflict of interest inherent in a loan application from a relative of a Task Force member, and the job creation requirements for a loan made with Community Development Block Grant (CDBG) funds. Staff finds that many of the problems identified in the review of the TDI loan application were the same problems identified in staff report on the City's business loan programs and that implementation of the recommendations contained in that report should help alleviate problems such as those encountered by TDI.

Kent Sims, Deputy Executive Director, Economic Development, described the procedures normally followed for processing loans and responded to questions from the Commissioners regarding difficulties encountered with the TDI loan.

The following persons spoke regarding item (g): Kathryn Williams, TDI; Samuel Murray, President, New Bayview Committee; Arnold Townsend; Kevin Williams; and Christopher Albert, Bay Area Black Contractors Association.

President Kouba noted that speaker cards had been submitted by: Gordon Frazier; Millard Larkin; Eric Williams; George Williams; Keith Williams; Aurea Luis Carnes; Nathaniel Mason, Jr.; Frank Taylor; Tim Williams; Mary and Willie Ratcliffe. However, due to time constraints, he would request they relinquish their right speak with the understanding that they are in support of the TDI loan issue being satisfactorily resolved.

After an extensive discussion between the Commissioners, staff and the speakers, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. ONG, THAT LETTERS BE SENT TO MAYOR JORDAN AND THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT REQUESTING ASSISTANCE IN BRINGING THE TDI LOAN TO CLOSURE EXPEDITIOUSLY.

RECESS

President Kouba announced that there would be a brief recess. The meeting recessed at 9:10 p.m. and reconvened at 9:15 p.m. with the same roll call.

- (h) Mr. Graves introduced item (h), which requests authorization of negotiations with Turner Construction Company for Construction Management Services for the Children's Center on Central Block 3 (CB-3) in Yerba Buena Center. Nine teams responded to the Agency's Request for Qualifications (RFQ) and indicated their relevant experience for construction management services for the Children's Center. The RFQ, which was extensively advertised, was based on the current Agency Purchasing Policy and current affirmative action requirements. A selection panel, which included Agency staff, the Director the City's Department of Public Works and a representative of the Moscone Convention Center, reviewed the written submissions and conducted interviews with all nine teams. The panel agreed on a short list of the most qualified firms and evaluated the qualifications of the firms based on the Agency's selection criteria, including reference checks. The result of this process is a recommendation of negotiation of a Construction Management Agreement with Turner Construction Company. It is anticipated that a contract can be negotiated during the next month and brought back to the Commission for approval, allowing for the construction management services to commence. It is important for construction management to review the final construction documents scheduled for submittal at the end of September and the start of the construction bidding process shortly thereafter. Construction of the project is scheduled to begin by the end of 1994. Funds for the construction management agreement are available within the budget for the Children's Center construction. The Commissioners have been provided with information on the firm's affirmative action program, which staff finds acceptable.

Helen Sause, Project Director, Yerba Buena Center, described the selection process and responded to questions from the Commissioners.

The following persons spoke regarding item (h): Dick Dorais, Turner Construction; Samuel Murray; and Vincent Walsh, Santos & Urrutia United Coast Management.

Mr. Dorais introduced members of the construction management team and responded to questions from Mr. Stern regarding Turner's past and current projects.

Mr. Walsh protested staff recommendation to negotiate with Turner Construction and requested the item be continued to September 13, 1994 in order for his team to make a presentation.

Ms. Ong noted her concern regarding Turner's affirmative action program relative to the workforce breakdown and that when large dollar amounts are involved there should be joint venturing to make the process equitable. She indicated she would like the item continued because there needs to be an improvement in Turner's affirmative action.

Ms. Sause and Ben Hattem, Agency Affirmative Action Officer, responded to questions from Ms. Ong regarding Turner Construction's affirmative action program.

Mr. Stern indicated that small firms do not qualify because they do not have experience and it is only by joint venturing they can get the necessary experience, which will never occur in this process.

Mr. King noted his concurrence with the comments made by Commissioners Ong and Stern, however, there has been an improvement in Turner's affirmative action. In addition, the firm is best qualified because they have had experience with the project and it is important that the Children's Center move forward.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND CARRIED, WITH COMMISSIONERS ONG AND STERN OPPOSING, THAT RESOLUTION NO. 177-94 BE ADOPTED.

Mr. Stern left the meeting at this time, 9:50 p.m.

- (i) Helen Sause, Project Director, Yerba Buena Center, introduced item (i), which requests authorization of a Grant Agreement in an amount of \$100,000 with the Yerba Buena Gardens Children's Place in Yerba Buena Center. The Yerba Buena Gardens Children's Place was incorporated in July 1992. The Board has been assisting the Agency in design review and program development for the Children's Facilities. This grant will enable the Children's Place to begin hiring staff to complete design review and program development, design a fundraising strategy and public relations/marketing campaign and strengthen the board for its marketing role.

Ms. Sause noted that Fei Tsen, Chair of the Children's Center Board of Directors had to leave due to time constraints, however, she had intended to speak in support of this item.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-94 BE ADOPTED.

Mr. Stern returned to the meeting at this time, 9:55 p.m.

Mr. Kitahata left the meeting at this time, 9:55 p.m.

- (j) Mr. Graves introduced item (j), which requests authorization of change orders to the construction contract with Stolte, a Division of PCL, for work performed on behalf of the Moscone Convention Center totaling \$315,000, which amount is to be reimbursed to the Agency by the Office of the Chief Administrative Officer (CAO) in connection with Yerba Buena Center. During the course of the construction of the Esplanade, the CAO requested the Agency to direct its contractor, Stolte, to undertake work on behalf of the Moscone Convention Center, which underlies the Esplanade. Major work items included the replacement of a large number of roof drains, the repair of waterproofing incorrectly installed by the Moscone contractor, and regrading the Central Block 2 underground truck ramp. Since the items were within the Esplanade construction site and the Moscone contractor was no longer on site, the Agency agreed to undertake the work as a convenience to both itself and the CAO. The CAO has agreed to reimburse the Agency for the change orders necessary to accomplish the work, which totals \$315,000. In addition to change order work directly requested by the Moscone Center, staff believes that a number of other change orders were caused by conditions related to Moscone Center construction and operations and that the CAO should therefore be willing to share their cost. Now that all change order costs have been finalized, staff intends to meet with CAO staff to review these work items and the possibility of additional reimbursement of Agency costs.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-94 BE ADOPTED.

Mr. Kitahata returned to the meeting at this time, 10:00 p.m.

- (k) Mr. Graves introduced item (k), which requests authorization of a Program Administration Agreement with the San Francisco Housing Authority for the implementation of a Tenant-Based Rental Assistance Program for People living with HIV/AIDS funded by federal Housing Opportunities for Persons with AIDS (HOPWA) Program. The program would initially make available \$2 million in HOPWA rental subsidies to people with disabling HIV/AIDS who are at or below 50 percent of the area median household income. These funds would provide assistance to an estimated 225 to 325 persons annually, depending on the household sizes served. This program would significantly expand the rental assistance component of HOPWA, which currently funds supportive services for nonprofit agencies administering 96 subsidies. Staff believes that enlisting the Housing Authority, which is experienced in administering the Federal Section 8 rental assistance program, is the most cost effective and expedient method to implement this program. If the Program Administration Agreement is approved, Commission approval will be requested at the next meeting of a Request for Proposals to select a nonprofit service provider who will be responsible for providing placement and tenant referrals to the Housing Authority.

Jack Robertson, Chief of Housing, made a presentation and responded to questions from the Commissioners. He indicated that the Agreement will be before the Housing Authority Commission on September 8 for approval and noted the steps that have been taken to address concerns raised regarding the Housing Authority being a participant.

Mr. Robertson introduced Larry Andrews, San Francisco Housing Authority, who responded to questions from the Commissioners.

Deborah Cortez, Development Specialist, indicated that it had been intended to make a report on the HOPWA Program, however, this would be deferred to the next meeting due to time constraints.

President Kouba noted Thomas Calvanese, Case Manager, Lutheran Social Services, had left the meeting, however, he submitted written testimony in support of item (k), which will be made a part of the record.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-94 BE ADOPTED.

- (1) Olsen Lee, Mayor's Office of Housing, introduced item (1), which requests authorization of a \$257,125 Grant Amendment to Progress Foundation in connection with acquisition and rehabilitation of 212-214 Ashbury Street for affordable supportive housing as part of the Citywide Tax Increment Housing Program. In June 1992, the Citywide Affordable Housing Loan Committee and the Agency approved a \$370,000 grant for acquisition and rehabilitation of this property. In July 1994, the Loan Committee approved a \$257,125 grant amendment for additional rehabilitation costs. The project will serve transitional women with mental disabilities and their children. It is anticipated rehabilitation will be complete and the property ready for occupancy by December 1994.

Mr. Lee noted that representatives of Progress Foundation are present to respond to questions.

The following persons spoke regarding item (1): Ellen Benjamin and Mary Helen Briscoe, Panhandle Residents Organization (PRO).

The speakers noted that PRO has filed a law suit against Progress Foundation and City Planning and requested action be postponed until the case has been settled. They noted their concern regarding the notification process and that they are not opposed to this particular facility, but to its location.

David Madway, Agency General Counsel, indicated that it is anticipated the case will be heard on October 20.

In response to an inquiry from President Kouba, Stephen Fields, Progress Foundation, indicated that no funds will have been expended by the time there is a decision on the law suit.

ADOPTION: IT WAS MOVED BY MS. ONG, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-94 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) President Kouba introduced item (a), which commends Mary Risley and the 1994 Graduates of Tante Marie's Cooking School in reclaiming vacant City property for a gardening project at 200 Chestnut Street, San Francisco, California.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, August 26, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of at least five Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON AUGUST 26, 1994.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-94 BE ADOPTED.

President Kouba announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment. Property locations and the entities the Agency may negotiate with are;

770 Golden Gate Avenue with the San Francisco Employees Credit Union.

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also be a Closed Session pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The party threatening to initiate litigation is Patrick Media regard Site F-1 in Rincon Point-South Beach.

RECESS

It was moved by Mr. Stern, seconded by Ms. Ong, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Threatened Litigation. The meeting recessed at 10:40 p.m.

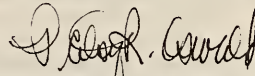
RECONVENED

At this time, 11:15 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 11:16 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", written in a cursive style.

Patsy R. Oswald
Agency Secretary

APPROVED

October 11, 1994

9/13/94
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF SEPTEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of September, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Gary Kitahata
Clarence R. Stern

and the following were absent:

Leroy King (Arrived 4:45 p.m.)
Cynthia Choy Ong

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Jerry Tons, KSW Properties; Norm Rolfe, San Francisco Tomorrow; William Boorug, Bechtel Investments Realty, Inc.; James Haas; Tricia James, South of Market Business Association; Jerry Robbins, Department of Parking and Traffic; Wayne Corn, Chair of the Hayes Valley/Western Addition Task Force; Bernie Choden; Ace Washington, WAPAC; Raymond Colmenar, South of Market Problem Solving Council; Jerry Clark; Amelita Pasqual, South of Market Foundation; John Elberling, TODCO; Fatima Angeles; Tom McKnight; Katherine Nash; and Peter Albert.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

The Agency Secretary announced that the Public Hearing for the purpose of considering and taking action with respect to the Americans with Disabilities Act (ADA) Plan for Golden Gate Avenue and the South Beach Harbor was inadvertently omitted from the September 13, 1994 agenda, which would have indicated that the Public Hearing is further continued to September 27, 1994. However, notices have been appropriately posted and mailed to inform the public that this item was being further continued. Specifically noticed were: approximately 350 persons and organizations on the Agency's Tentative Agenda mailing list and 70 Disability Rights organizations.

- (a) Mr. Graves introduced item (a), which requests authorization to award Contract IID South Beach, Park Phase I, to Bauman Landscaping, Inc. for the construction of improvements near the end of the Embarcadero adjacent to South Beach Harbor in an amount not to exceed \$2,623,926.50. It is recommended this item be continued to the next meeting. The Agency has yet to exercise its Option Agreement to take down the park parcel from the Port because conditions have changed.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSION ITEM (a) RESOLUTION NO. 156-94, WOULD BE CONTINUED TO SEPTEMBER 27, 1994 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

Mr. Graves indicated that staff recommends item (b) be continued and considered as a regular agenda item.

THE FOLLOWING ITEM CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meeting, August 2, 1994; Closed Sessions, May 31, June 21 and 28, 1994.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Graves introduced item (b), which requests authorization to issue a Request for Proposals (RFP) for an amount not to exceed \$200,000 for providing tenant-based rental housing assistance services to HIV-disabled persons in connection with the Housing Opportunitites for Persons with AIDS (HOPWA) Program.

Deborah Cortez, Development Specialist, indicated that at the HIV Health Services Council meeting on September 12, the Council passed a motion requesting the Agency delay issuance of an RFP until a Task Force is convened to evaluate the need to incorporate case management services into the HOPWA Rental Assistance Program. It is hoped to make a recommendation to the Council at its next meeting on September 26 and to have an RFP for Commission consideration at its September 27 meeting.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 183-94, WOULD BE CONTINUED TO SEPTEMBER 27, 1994 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Graves introduced item (c), which requests authorization to request the Board of Supervisors to designate a Survey Area in the vicinity of the Transbay Terminal. Over the past several

months staff has been conducting exploratory discussions with property owners and a variety of other interested groups with regard to the future of the area surrounding the existing Transbay Terminal. The Commissioners have been provided with a map showing the boundaries of the proposed survey area which can generally be described as bounded by Market Street on the north, Bryant Street on the south, Spear Street on the east and between Second and Third Streets on the west. This area is of critical importance to the City's future because of its proximity to downtown, the availability of substantial acreage of vacant or under-utilized land, and its function as a regional transportation hub connecting BART, Caltrain and AC Transit. Although funds have been approved in the current year budget to initiate survey activities, it is anticipated that a merger between the new area and the Golden Gateway will be sought in order to provide financing during the early years of the project prior to the development of the area's own tax increment resources. It is anticipated that the time frame from initiation of the survey process to the establishment of a project will be in the range of thirty to thirty-six months.

Robert Gamble, Deputy Executive Director, Finance, gave an overview of exploratory activities undertaken in relation to the proposed survey area and responded to questions from the Commissioners.

Mr. Gamble introduced Stuart Sunshine, Mayor's Office, who responded to questions from the Commissioners.

Mr. Kitahata inquired whether the hotels in the area had been calculated into the revenue estimates for hotel tax bonds and Mr. Gamble indicated he would check and report back.

The following persons spoke in support of item (c): Jerry Tone, KSW Properties; Norm Rolfe, San Francisco Tomorrow; William Boorug, Bechtel Investments Realty, Inc.; James Haas; and Tricia James, South of Market Business Association.

Mr. King arrived during the speaker presentations at 4:45 p.m.

Mr. Rolfe requested No. 4. "The Transbay Bus Terminal has historically acted as a barrier to development of the Rincon Hill area south of the Bus Terminal" be deleted from the resolution. It is a prejudgment that is not justified because others have ideas for development of the Transbay Terminal which should not be ignored. It is also important to know what other plans are underway, such as an Arena.

Mr. Kitahata suggested, and the Commissioners concurred, that the resolution be amended to read: 4. "The Transbay Bus Terminal has had an impact on the development of the Rincon Hill area south of the Bus Terminal".

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-94, AS AMENDED, BE ADOPTED.

- (d) Mr. Graves introduced item (d), which requests authorization to request the Board of Supervisors to designate the area at Church and Market Streets as a Redevelopment Survey Area. Approximately six months ago, citizens in the area at the northwest corner of Church and Market Streets requested the Agency study the feasibility of a redevelopment project in the area. Staff met with community representatives and believe that it is appropriate to create a survey area to carry out activities necessary to determine the feasibility of a redevelopment project.

The following persons spoke in support of item (d): Ken Bukowski, Community Center Project; Dana Van Gordor, Department of Public Health; and Daisy Gordon, representing Supervisor Migden.

John Wiley, Attorney for Peter Haramis, indicated that it is intended to open a restaurant on the site later in the year and there is concern designation of a survey area could interfere with the project. He requested item (d) be continued.

Mr. Graves indicated that in light of this new testimony that an active project is underway, he would recommend this item be continued. In addition, there is still a need to determine whether the area qualifies because of blight conditions.

Mr. Kitahata requested staff investigate whether the Agency will be asked to provide financing because he would like the Agency to be a catalyst, not a source of funding.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 185-94, WOULD BE CONTINUED TO SEPTEMBER 27, 1994. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Graves introduced item (e), the purpose of which is for a presentation of the recommendations from the Mayor's Citizen Task Force on the Central Freeway in the Western Addition A-2. The Central Freeway was extensively damaged by the October 1989 earthquake and portions of elevated structure were removed during the ensuing months. The elevated freeway, north of Fell Street, was completely removed by 1992. In the Spring of 1992 the Board of Supervisors' Housing and Land Use Committee held public hearings regarding replacement of the Freeway. In July 1992, the Board of Supervisors adopted a resolution establishing a policy that the City not support the building of any new above ground ramps to replace the demolished sections of the Central Freeway. At the City's request funding was provided by Caltrans and the Federal Highway Administration to explore transportation options for the entire Van Ness/Gough and Lombard corridors and a draft report of the Central Freeway

Area-wide Traffic Study has been completed. The Commissioners have been provided with background information regarding possible acquisition by the Agency of clear Central Freeway property.

Jerry Robbins, Department of Parking and Traffic, and Wayne Corn, Chair of the Hayes Valley/Western Addition Task Force made presentations on the recommendations contained in the draft report and responded to questions from the Commissioners.

Mr. Corn distributed copies of the Task Force report to the Commissioners, which he noted had been provided to the Board of Supervisors.

The following persons spoke regarding item (e): Bernie Choden; Ace Washington, WAPAC; Tricia James, South of Market Business Association; and Raymond Colmenar, South of Market Problem Solving Council.

Mr. Washington noted his concern that African Americans are being excluded from the process and a citizen group is needed to represent that community under the auspices of the Agency.

Ms. James and Mr. Colmenar noted that South of Market groups have concerns and would like representation on the Task Force.

Thomas Conrad, Chief, Planning and Programming, responded to questions from the Commissioners. He noted that staff will work with Caltrans on freeing-up parcels in the Western Addition A-2 Project Area, which encompasses almost three acres.

Mr. Kitahata indicated that the Agency's focus should be on land that is freed and will not be used for transportation.

David Madway, Agency General Counsel, noted that the Agency does not have the right to negotiate until the land is declared surplus by Caltrans.

- (f) Mr. Graves introduced item (f), the purpose of which is for a presentation on the South of Market Strategic Plan from San Francisco's Enterprise Community Application. In June 1994, on behalf of the City, the Agency submitted two applications covering six neighborhoods requesting that San Francisco be designated as a Federal Enterprise Community. The primary thrust of the applications is a community based Strategic Plan for each of the neighborhoods, each of which undertook an intensive neighborhood planning process. Each neighborhood will present a summary of its plan to the Commission. The South of Market Community-based Plan will be presented today. The South of Market Problem Solving Council was the lead agency for the South of Market Strategic Planning process. The Commissioners have been provided with a copy of the South of Market Plan which presents strategies and specific actions for addressing identified needs.

Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced: Raymond Colmenar, South of Market Problem Solving Council, who gave an overview of the South of Market Strategic Plan and spoke regarding the Arts; Jerry Clark, South of Market Neighborhood Association who spoke regarding housing issues; Amelita Pasqual, South of Market Foundation, who spoke regarding economic development; Rich Sorro, South of Market Employment Center, spoke regarding employment issues; John Elberling, TODCO, who spoke regarding the need for a Health Center in the South of Market; and Fatima Angeles spoke regarding the need for a Youth Center in the South of Market.

The following persons spoke regarding item (f): Tricia James, South of Market Business Association; and Tom McKnight.

Ms. James indicated that the situation with regard to unreinforced masonry buildings is serious because there will be displacement. She noted that there is a need for a center to give small business assistance.

Mr. McKnight requested that the Commission give consideration to the Strategic Plan and provide as much assistance as possible.

In response to an inquiry from Mr. Kitahata, Ms. Pasqual indicated that there had not been contact from the North of Market Planning Coalition regarding the SOMA steam clean program, however, she would be pleased to work with them.

The Commissioners commended the group for their dedicated efforts to improve conditions in the South of Market.

In response to an inquiry from President Kouba, Mr. Colmenar indicated that the SOMPSC continues to support the concept of a merger with Yerba Buena Center because the South of Market tax increment is not sufficient to implement the programs that are needed.

MATTERS NOT APPEARING ON AGENDA

- (a) President Kouba introduced item (a), which commends and expresses appreciation to Leslie T. Schilling for her service as a Commissioner of the Redevelopment Agency of the City and County of San Francisco.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, September 9, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON SEPTEMBER 9, 1994.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba indicated that he and Commissioner Stern will be attending a seminar on Redevelopment Process on September 14.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (b) The Commissioners have been provided with a report on a request from the North of Market Planning Coalition to fund three Tenderloin economic development projects. The Coalition requested that two anticipated payments from Tenderloin housing projects to the City-wide Affordable Housing Fund (Fund) be invested in three proposed economic development projects, however, it has been determined that these funds can only be used for affordable housing. One of the three proposed projects is exterior painting of the Cadillac Hotel, which does qualify.
- (b) Helen Sause, Project Director, Yerba Buena Center, gave a status report on funding, security, operations and maintenance for Central Block 2 (CB-2) in Yerba Buena Center and responded to questions from the Commissioners.

Mr. Kitahata indicated he would would like the Commission to assert that the Children's Place has first priority. He noted that he had requested this report to highlight where the shortfall in funds would be for both upfront capital and ongoing operations because there is a need to understand what the shortfall is and how it can be addresssed.

A discussion ensued between Mr. Kitahata and Ms. Sause regarding financing mechanisms for the Children's Place, including the possibility of setting aside debt service reserve funds from an upcoming bond issue for an endowment and use of the contingency in the Children's Place budget if funds are available after construction.

Ms. Sause indicated she would research the issues raised by Mr. Kitahata and report back.

In response to an inquiry from Mr. Stern, Ms. Sause indicated that she had been contacted about Yerba Buena Gardens being rented for a State Fair, however, it was concluded that it would be impractical due to the large number of people that it is anticipated would attend.

Mr. Graves indicated that a full report would be made to the Commission.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Rosales regarding a staff report relating to an allegation that Latino Drywallers were being exploited on an Agency project and why this had not been detected, Mr. Graves indicated that there is a level of monitoring, however, normally discrepancies are reported to staff routinely.
- (b) Mr. Kitahata noted that it will be two to three years before a reuse plan for Treasure Island being prepared by City Planning is adopted and he would be interested in when the Agency should proceed in terms of Treasure Island becoming a survey area.

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is the GAP.

There will also be a Closed Session pursuant to Government Code Section 54956.9(b) regarding threatened litigation. The party threatening to initiate litigation is Andrew L. Solow.

RECESS

It was moved by Mr. Stern, seconded by Mr. Kitahata, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Threatened Litigation. The meeting recessed at 6:56 p.m.

RECONVENED

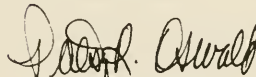
At this time, 7:21 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

Minutes of a Regular Meeting, September 13, 1994

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:22 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

October 11, 1994

27/94

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF SEPTEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of September, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern

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and the following was absent:

None

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Commissioner elect Benny Y. Yee; Ace Washington, WAPAC; Richard Brown and Lefty Gordon, Ella Hill Hutch Community Center; Sally J. Walker; Mitchell Salazar, Director, Real Alternative Program; David Aldape, Director, ALIANZA; Sonya Gray, President, BRAVA Board of Directors; Anita Corerra, 16th Street Revitalization Committee; Rich Sorro, Executive Director, Mission Hiring Hall; Mary Davis Mazyck, Mission Education Project; Lucy Grau, Latino Family Alcoholism Counseling Center; Lana Alviar, Bryant Block Club; Ena Aguirre, Mission Education Program; Bob Planthold, Mission Neighborhood Centers; Arnold Townsend; Lisa Mapaye, Asian, Inc.; James B. Tyler, South Van Ness Neighborhood Association; Erica Kohl, Coro Foundation; Brett Lowart and Brother Christopher Donnelly, Sacred Hesart Cathedral; Ocie Mae Rogers; and Lucy M. Grau, Latino Family Center.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests authorization to award Contract IID South Beach, Park Phase I, to Bauman Landscaping, Inc. for the construction of improvements near the end of the Embarcadero adjacent to South Beach Harbor in an amount not to exceed \$2,623,926.50. The Agency has yet to exercise its option to take down the park parcel from the Port and it is recommended this item be withdrawn until the issue is resolved.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 156-94, WOULD BE WITHDRAWN AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Graves introduced item (b), which requests authorization to request the Board of Supervisors to designate the northwest corner of Market and Church Streets as a Redevelopment Survey Area. Staff has verified that there are firm plans to develop the site as a restaurant and it is therefore recommended this item be withdrawn.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 185-94, WOULD BE WITHDRAWN AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Public Hearing to hear all persons interested in an ADA Transition Plan for 770 Golden Gate Avenue and for South Beach Harbor.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

James Nybakken, Administrative Services Officer, introduced item (c), which requests approval of an Americans with Disabilities Act (ADA) Transition Plan for the Agency offices at 770 Golden Gate Avenue and the South Beach Harbor in Rincon Point-South Beach. The ADA requires that a Transition Plan be prepared and offered for public review and comment to ensure that facilities operated by the Agency meet ADA requirements. The public hearing on the plan was continued from the meeting of August 16, 1994 to allow for additional consultation and, after extensive outreach to representatives of the disabled community, the Transition Plan has been revised to address issues raised. The plan has been developed with the assistance of the City's Department of Public Works Bureau of Architecture and focuses on improving accessibility to public areas. It has also been reviewed by the Mayor's ADA Coordinator. A major portion of the work can be completed by January 25, 1995 and certain moderate improvements would be completed by October 1, 1995, the date of lease renewal space with the Credit Union. The Phase I and Phase II implementation costs are estimated to be \$33,200 for 770 Golden Gate and \$59,000 for the South Beach Harbor. It is anticipated that some of the costs for the improvements at 770 Golden Gate would be negotiated as part of an extension of the lease agreement and that other costs would be paid from the Agency's operating budget. \$10,000 is estimated for Phase III, which is to plan for certain long term improvements at South Beach Harbor to improve public access to the piers. These improvements would be reviewed during Phase III and alternatives developed to ascertain costs, design, and source of funding by December 31, 1995.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-94 BE ADOPTED.

- (d) Jack Robertson, Chief, Housing Production and Management, introduced item (d), which requests authorization of the the issuance of a Request for Proposals for an amount not to exceed \$370,000 for providing Tenant-based Rental Housing Assistance Services to HIV-disabled persons in connection with the Housing Opportunities for Persons with AIDS (HOPWA) Program. The Agency is establishing a rental assistance program for very low-income, HIV-disabled persons to be funded through the HOPWA Program. On August 30, 1994, the Commission authorized an agreement with the San Francisco Housing Authority that delegates the responsibility of administering \$2 million in rent subsidies to the Housing Authority. The final component of the rental assistance program requires the use of a nonprofit organization primarily responsible for: identifying and referring eligible HIV-disabled persons to the Housing Authority; locating suitable housing units through landlord outreach; coordinating the placement of these persons into rent-subsidized housing; and providing case management services to these persons if needed. This item was initially calendared for Commission consideration on September 13, 1994, however, action was postponed due to suggested changes to the Request postponed due to suggested changes to the Request for Proposals (RFP) by the Mayor's HIV Health Services Planning Council. These suggestions, which have been incorporated into the RFP, broaden the scope of services and result in an increase in the recommended budget for this contract from \$200,000 to \$370,000 annually. Staff will evaluate all proposals and make a recommendation to the HOPWA Loan Committee who will then make a recommendation to the Commission for final approval.

Ms. Ong indicated that the RFP should be more specific with respect to outreach to those most in need, such as Asians and African-American women and she would like the staff of the consultant to be a reflection of the affected communities.

Mr. Robertson indicated that the RFP will be amended to indicate that proposals will be evaluated to determine whether sponsors adequately address the racial, ethnic, gender and household characteristics that reflect the affected HIV-disabled population in San Francisco. The Commissioners will be provided with a copy of the revised RFP.

President Kouba expressed appreciation to staff members Jack Robertson, Deborah Cortez and Chris Harris for their achievements.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-94 BE ADOPTED.

President Kouba introduced Benny Y. Yee. He noted that the Board of Supervisors approved Mr. Yee's appointment to the Redevelopment Agency Commission on September 26 and he will be sworn-in by Mayor Jordan in the near future.

NEW BUSINESS - CONSENT AGENDA

At staff request item (f) was removed from the Consent Agenda and considered as a Regular item.

Mr. Graves responded to questions from Ms. Ong regarding Consent Agenda items (h) through (n), requesting amendments to personal services contracts with economic development service providers, and noted that the amendments involve a time extension. In the interim discussions will be held with the service providers regarding changes proposed by staff.

President Kouba noted that Ace Washington had requested to speak regarding the service provider items, however, it would be more appropriate to comment when the contracts return to the Commission for consideration in one month.

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDER TO BE ROUTINE BY THE AGENCY, AND WERE ACTED ON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meeting, August 16, 1994; Closed Session Meetings, July 12 and 26, August 2, 16 and 30, 1994.
- (b) Approving the appointments of Richard T. Kono as Deputy Executive Director, Development and Robert T. Gamble as Deputy Executive Director, Finance and Project Development.
- (c) Authorizing amendments to the Personnel Policy to incorporate certain changes negotiated with Agency Bargaining Units.
- (d) Authorizing parity in employer contributions to the Public Employees Retirement System among various employee groups.
- (e) Authorizing an Amendment to a Personal Services Contract with Chris Harris for an amount not to exceed \$12,000 for services performed under the HOPWA Program.
- (g) Authorizing the Executive Director to attend the American Planning Association Cal-Chapter in San Diego, California, October 20-24, 1994 at a cost not to exceed \$700.00.
- (h) Authorizing a Ninth Amendment to the Personal Services Contract with Ella Hill Hutch Community Center (EHHCC) to provide employment development services in an amount not to exceed \$22,166 for the period October 1, 1994 through October 31, 1994; Western Addition A-2.

- (i) Authorizing a Seventh Amendment to the Personal Services Contract with Urban Economic Development Corporation for Technical Assistance Services in an amount not to exceed \$15,833 for the period October 1, 1994 through October 31, 1994; Western Addition A-2, India Basin and Hunters Point Redevelopment Project Areas.
- (j) Authorizing a Seventh Amendment to the Personal Services Contract with Young Community Developers, Inc. to provide Employment Development Assistance in the amount not to exceed \$16,666 for the period October 1, 1994 through October 31, 1994; Hunters Point, India Basin and other Redevelopment Project Areas.
- (k) Authorizing a Seventh Amendment to the Personal Services Contract with Mission Hiring Hall, Inc. to provide Employment Development Assistance Services in an amount not to exceed \$18,333 for the period October 1, 1994 through October 31, 1994; South of Market, Yerba Buena Center and other Redevelopment Project Areas.
- (l) Authorizing a Fifth Amendment to the Contract with the South of Market Foundation in an amount not to exceed \$14,167 for the period October 1, 1994 through October 31, 1994; South of Market Redevelopment Project Area.
- (m) Authorizing a Fourth Amendment to the Personal Services Contract with the Women's Initiative for Self Employment (WISE) for Technical Assistance Services in an amount not to exceed \$2,764 for the period October 1, 1994 through October 31, 1994; Western Addition A-2, India Basin and Hunters Point Redevelopment Project Areas.
- (n) Authorizing a Fourth Amendment to the Personal Services Contract with San Francisco Renaissance (SFR) for Technical Assistance Services in an amount not to exceed \$2,625 for the period October 1, 1994 through October 31, 1994; Western Addition A-2, India Basin, Hunters Point and South of Market Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (b) THROUGH AND INCLUDING (e), RESOLUTION NUMBERS 187-94 THROUGH AND INCLUDING 190-94, AND CONSENT AGENDA ITEM (g), RESOLUTION NO. 192-94, AND CONSENT AGENDA ITEMS (h) THROUGH (n), RESOLUTION NUMBERS 197-94 THROUGH AND INCLUDING 203-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (f) William Nakamura, Chief, Engineering and Rehabilitation, introduced item (f), which requests authorization to advertise a Contract for the Demolition and Site Clearance of the building located at the southeast corner of Laguna and Bush

Streets (1899 Bush); Western Addition A-2. This building, which has long been designated for demolition, is not in compliance with the City's Unreinforced Building Masonry Code and the Agency has been requested to correct the deficiencies. Clearing the site eliminates the expense of upgrading the structure and relieves the Agency of any liabilities associated with maintaining a vacant building. Staff requested this item be removed from the Consent Agenda because of an error in the resolution, which will be corrected to refer to the structure as "unreinforced" masonry rather than "reinforced" masonry.

Ace Washington, WAPAC, noted his concern regarding notification procedures for adequate review and citizen participation for items pertaining to the Western Addition A-2.

Richard Brown, Ella Hill Hutch Community Center, noted that there should be participation by residents in the workforce for contracts awarded in the Western Addition A-2 and Mr. King indicated that residents will be included in the workforce.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-94 BE ADOPTED.

- (o) Public Hearing to hear all persons interested in a Variance for the proposed one-story addition to the existing LaSalle Building located on the north side of Eddy Street between Franklin and Gough Streets; Western Addition A-2.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (o), which requests granting of a Variance from the bulk requirements in the Western Addition A-2 Redevelopment Plan for the proposed one story addition to the existing LaSalle Building at Sacred Heart Cathedral Preparatory located on the north side of Eddy Street between Franklin and Gough Streets in the Western Addition A-2.

- (p) Mr. Graves introduced item (p), which requests authorization of an Owner Participation Agreement (OPA) with the Roman Catholic Welfare Corporation for the modification of and addition to Sacred Heart Cathedral Preparatory School located in the block bounded by Ellis, Franklin, Eddy and Gough Streets in the Western Addition A-2.

The owner proposes to rebuild a portion of the School in order to modernize the facility. The first phase includes the construction of a building to contain a new gymnasium and cafeteria and the construction of a glass roof atrium to be used as a lobby for the gymnasium and theater. In the second phase the old gymnasium will be converted into a theater. The third phase consists of a one floor addition to the existing five story LaSalle classroom building on Eddy Street to house a new expanded library and small chapel. The LaSalle Building, constructed in 1977, was designed to accommodate a future

two-story addition in compliance with the then existing Redevelopment Plan. However, revised height and bulk requirements were incorporated in a Plan Amendment adopted in 1987 and a variance is now required to allow construction of the one additional floor. Staff has determined that the proposed addition is compatible in terms of building scale to the adjacent area. The school administration, seeing an increased need to modernize the facilities, developed a long range Master Plan, which was presented to the Commission at a workshop on July 26, 1994.

Sally J. Walker, Neighbor, spoke in support of the project.

Ace Washington, WAPAC, noted his concern regarding the notification process for community meetings and indicated he would like to attend any further meetings held by Sacred Heart.

Mr. Rosales indicated he was not familiar with the details of the notification process, however, there had been two public meetings and a presentation to the Commission on July 26, 1994. He noted his support of the project because it will be a positive element in the neighborhood.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (o), RESOLUTION NO. 193-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (p), RESOLUTION NO. 194-94, BE ADOPTED.

- (q) Kent Sims, Deputy Executive Director, Economic Planning and Development, introduced item (r), the purpose of which is for a presentation on the Mission Neighborhood Strategic Plan from San Francisco's Community Application. In June 1994, on behalf of the City, the Agency submitted two applications covering six neighborhoods requesting that San Francisco be designated as a Federal Enterprise Community. The primary thrust of the applications is a community based Strategic Plan for each of the neighborhoods, each of which undertook an intensive neighborhood planning process. Each neighborhood will present a summary of its plan to the Commission. The Mission Neighborhood Plan will be presented today. The Violence Prevention Initiative (VPI) was the lead agency for the Mission District Strategic Planning process. The Commissioners have been provided with a copy of the Plan which presents strategies and specific actions for addressing identified needs.

The following persons made presentations on the Strategic Plan: Mitchell Salazar, Director, Real Alternatives Program (RAP); David Aldape, Director, ALIANZA; Sonya Gray, President, BRAVA

Board of Directors; Anita Corerra, 16th Street Revitalization Committee; Rich Sorro, Executive Director, Mission Hiring Hall; and Mary Davis Mazyck, Mission Education Project.

The following persons spoke regarding item (p): Lucy Grau, Latino Family Alcoholism Counseling Center; Lana Alviar, Bryant Block Club; and Ena Aguirre, Mission Education Project.

Ms. Grau and Ms. Alviar spoke regarding economic and social programs needed in the Mission.

Ms. Aguirre indicated that she had not seen the completed plan and noted her concerns regarding the notification process.

Ms. Ong noted her concern that she finds the document "souless" because it does not give a profile of the Mission area. Most people in the area live in rental housing, which is not reflected. She indicated that there are a lot of omissions in the report and she would like to see it revised.

In response to an inquiry from Ms. Ong, Mr. Salazar indicated that the document had been prepared by Sedway Associates and Agency staff after gathering information.

Gail Goldman, Enterprise Zone Coordinator, made a presentation on the application submitted to Washington, D.C. and indicated that the community had been involved in every aspect of the report.

Mr. Rosales indicated that there must an open process and any plan for the Mission will come when the community decides how it wants the area developed. The soul will come when a redevelopment area is looked at and the community comes forward with a project the community and the Agency can support.

Commissioners Rosales, King and Kitahata commended the speakers on their presentations and efforts to improve conditions in the Mission District.

Ms. Ong indicated that there is a need for a Spanish speaking Agency staff person who is sensitive to Mission neighborhood needs.

Mr. Graves indicated that as areas evolve, budget requests will be made to the Board of Supervisors

- (r) Mr. Graves introduced item (r), which requests authorization of a Loan Agreement with Mission Neighborhood Centers (MNC) in an amount of \$250,000 from the 24th Street Revitalization Program's Community Development Investment Fund ("CDIF") in matching funds towards its acquisition of 3001-21 24th Street and Balmy Alley. In April 1992, the Agency approved funding the 24th Street Revitalization Program in an amount of \$1 million for three separate components: \$720,000 for property acquisition, known as "CDIF"; \$240,000 for small

business/working capital loans; and \$40,000 for public space improvements. The purpose of the CDIF is to help nonprofit organizations purchase vacant or blighted properties on 24th Street for the purpose of commercial revitalization. The first Request for Proposals (RFP) issued resulted in authorization of a Loan Agreement with Mission Housing Development Corporation in an amount of \$150,000. Of three responses received to a second RFP, two are non-responsive in that they are for purposes other than property acquisition. The proposal submitted by MNC is for property acquisition and meets the criteria approved by the Agency and the Board of Supervisors. The loan request was approved by the Mayor's Citywide Loan Committee, subject to the U.S. Department of Health and Human Services providing match funds, which have now been awarded. MNC has consistently demonstrated its strong community support and capability to maintain the property it owns. An independent appraisal was conducted to confirm the asking price is reasonable and it is slightly higher than the \$850,000 MNC has agreed to pay.

Kent Sims, Deputy Executive Director, Economic Planning and Development, gave an overview of the proposed project and responded to questions from the Commissioners.

Bob Planthold, MNC, requested approval of item (r).

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MS. ONG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-94 BE ADOPTED.

- (s) Mr. Graves introduced item (s), which requests endorsement of implementation of Revised Administrative Procedures for Agency-administered City Business Loan Programs. In response to the Commission's July 12, 1994 request to present a comprehensive program to improve the administration of City sponsored business loan programs, staff have worked in collaboration with the Mayor's Office of Community Development (MOCD) and the Neighborhood Economic Development Organizations (NEDO's) to develop new forms and procedures to implement recommendations made by members of the community, NEDO's and staff. Steps taken to improve the administration of the business loan programs and improve communications among MOCD, the Agency, NEDO's, and loan clients relate to: marketing, standardization of paperwork; tracking procedures; loan application data base; processing deadlines; communication; and uniform reporting requirements.

Kent Sims, Deputy Executive Director, Economic Planning and Development, reviewed the revised procedures in detail and responded to questions from the Commissioners. He noted that the intent is to have a uniform loan program throughout the City. At this time, the Commission is being requested only to endorse these procedures on an interim basis and there will be an opportunity for everyone to comment before final adoption. If the procedures are not endorsed then nothing will change.

Ms. Ong indicated she would like to see Asian, Inc. reaching out to other Asian communities and not just focusing on the Chinese community.

In response to an inquiry from President Kouba regarding a letter dated September 27, 1994 from MEDA, Mr. Sims indicated that MEDA did not receive the complete package in time to review it and prepare comments, however, they have been a part of the process.

In response to an inquiry from Ace Washington, WAPAC, regarding \$5 million in economic development funds allocated by the Board of Supervisors to the Western Addition and Bayview/Hunters Point areas, Mr. Graves indicated that staff would report back.

Ray Jones, Urban Economic Development Corporation (UEDC), noted that, as indicated by MEDA, the document was not received in time to review, however, he supports going forward with these interim guidelines.

Following an extensive discussion between the Commissioners, Economic Development staff and Mr. Graves, it was the consensus of the Commission that the resolution be amended to indicate that staff is directed to schedule a joint workshop with the Mayor's Office of Community Development and notify the four NEDO's in addition to other community organizations and representatives of the workshop.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-94, AS AMENDED, BE ADOPTED.

REPORT OF THE PRESIDENT

President Kouba reported to the Commissioners on the following matters:

- (a) On September 26, the Board of Supervisors passed for second reading the Plan Amendment for the Western Addition A-2 with a referral to the Government Efficiency and Labor Committee for review before final passage.
- (b) At its meeting on September 27, the Board of Supervisors' Health, Public Safety and Environment Committee held a hearing to consider the implementation of San Francisco's Five Year HIV/AIDS Housing Plan by the Redevelopment Agency and the City's AIDS Office and programs under the Housing Opportunities for Persons with AIDS (HOPWA) Program. The Supervisors commended Agency staff members Jack Robertson and Deborah Cortez on their presentations.
- (c) President Kouba reported on September 14, he and Commissioner Stern attended a seminar on the redevelopment process.

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- (d) On October 22, the Center for the Arts at Yerba Buena Gardens will hold its First Anniversary Celebration.
- (e) On September 28, the Mayor's Western Addition Economic Development Task Force will meet to discuss jazz clubs in the Fillmore.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) Staff has been working with Commissioner Kitahata on financing alternatives for Central Block 3 in Yerba Buena Center and it is anticipated a report will be presented on November 11.
- (b) The status of contracts with community based organizations has already been discussed and the contracts will be back before the Commission in one month.
- (c) The Commissioners have been provided with a Fourth Quarter Report on activities of Neighborhood Economic Development Organizations (NEDO's).

Mr. Sims responded to a number of concerns raised by Ms. Ong, which included: whether statistics are kept on accomplishments of NEDO's and placement of persons in permanent jobs; if there is a procedure to objectively evaluate services provided; if there are any requirements NEDO's stay abreast of the job market and new technology; and how can they be helped to accomplish what they should be doing. Mr. Sims noted that there is room for improvement and under the new contracts staff is focusing on a reporting system that will give a clear picture.

Mr. Graves indicated that staff will work on the issues raised by Ms. Ong, however, he would prefer they be placed on the agenda, rather than being debated at this time, and he would invite questions before September 30 when a series of meetings with NEDOS's will begin.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Rosales referred to a request from Galeria de la Raza of an intent to apply for funding of \$250,000 from the Agency's Community Development Investment Fund (CDIF) for acquisition and renovation of a building at the corner of Bryant and 24th Streets, including eight residential units above commercial space and inquired regarding the possibility of making it a condition of the transaction that the eight units be converted to homeownership.

Mr. Graves indicated that Galeria de la Raza will be advised that this issue has been raised and can take it into account when applying for funding.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Arnold Townsend indicated that if the NEDO's are to be evaluated he would like an objective analysis undertaken. Questions that have been raised are an insult to people who are doing their jobs under difficult circumstances.
- (b) Ace Washington, WAPAC, spoke regarding the Western Addition A-2 Plan Amendment. He noted his concern that a response had not been received to a proposal he had submitted regarding video taping Agency meetings.

President Kouba indicated he would ask staff to investigate and report back.

- (c) Lisa Mapaye, Asian, Inc., indicated that with regard to the quarterly reports, Asian, Inc., in accordance with written documentation from James Fang of the Mayor's Office and former Agency Executive Director Edward Helfeld, Asian, Inc. were to assist but not develop a loan program for Chinatown. In response to a comment by Ms. Ong earlier at the meeting, Ms. Mapaye indicated that Asian, Inc. reaches out to Chinese, Korean, Southeast Asians and Filipino communities.
- (d) James B. Tyler, South Van Ness Neighborhood Association, noted his concern that the notification process required by the Agency's Housing Policy was not followed with respect to an affordable housing project by Mission Housing Development Corporation at 1010 South Van Ness Avenue approved by the Commission on July 26, 1994. He requested Resolution No. 135-94 be reconsidered and adoption of a new resolution be placed on the agenda, with appropriate public notice, so that concerns about the project can be heard.
- (e) Lefty Gordon, Ella Hill Hutch Community Center, noted his concern regarding Ms. Ong's comments regarding the services provided by NEDO's. He indicated, however, that very productive discussions had taken place with Mr. Graves.
- (f) David Aldape, ALIANZA, requested he be notified of meetings pertaining to housing in the Mission and any hearings held regarding the 1010 South Van Ness Avenue Project.

COMMISSIONERS QUESTIONS' AND MATTERS (Continued)

- (d) Ms. Ong noted her concern at what has been indicated to be an adversarial situation with respect to the NEDO's. She indicated that it had not been her intention to insult the NEDO's, however, she was concerned about the reports because objectives are not being met.

President Kouba announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the

Minutes of a Regular Meeting, September 27, 1994

Agency's real property negotiator. Property Locations and the entities the Agency may negotiate with are:

northeast corner of Fourth and Harrison Streets in Verba Buena Center with Haas & Haynie; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also be a Closed Session pursuant to Government Code Section 54957 on personnel, with respect to the position of Executive Director.

RECESS

It was moved by Mr. Stern, seconded by Mr. Rosales, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Personnel. The meeting recessed at 7:30 p.m.

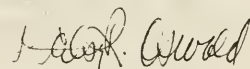
RECONVENED

At this time, 7:56 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:57 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 1, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF OCTOBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of October, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Cynthia Choy Ong
Clarence R. Stern

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and the following was absent:

Gary Kitahata (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Richard T. Kono, Acting Executive Director, and staff members were also present.

Also present were: James Buie, Executive Vice President, Hines Interests, Development Manager for the GAP; Robert A.M. Stern, Architect for the GAP Project; Arthur Pollack, Anne Bement, Dorothy Dang and Dr. Heller, Hills Plaza; Robin Chang; Nan McGuire and Jennifer Clary, San Francisco Tomorrow; Rick Mariano, Rincon Point-South Beach Citizens Advisory Committee; Richard Brown, Coordinator of the Employment Service Program, Ella Hill Hutch Community Center; and Keilani Tom.

NEW BUSINESS

- (a) Mr. Kono introduced item (a), a workshop, the purpose of which is for a presentation by the architect, Robert A.M. Stern, on the Basic Concept Design for The Gap, Inc. headquarters building on the development parcel bounded by the right-of-way of the recently removed Embarcadero Freeway and Steuart, Folsom and Spear Streets in Rincon Point-South Beach. Subsequent to authorization of exclusive negotiations in August 1992 for the purchase and development of Parcel C-1, an extension was granted to December 7, 1994. This Basic Concept Design only represents the first phase of the design process and there will be further submissions and presentations as the architectural design becomes more developed. The building program includes office space, ground level commercial space, meeting rooms, a health club, a 220 seat auditorium, and a cafeteria and other food facilities totaling approximately 440,000 square feet and

an 88 car parking garage and requisite off-street loading. The building, as designed, exceeds the height and some of the bulk provisions of the Redevelopment Plan which would require the granting of variances. It is anticipated that consideration of the variance requests, approval of the design and the Development Agreement will be calendared for Commission consideration in early November 1994.

James Buie, Executive Vice President, Hines Interests, Development Manager for the GAP, provided background information on the project and reviewed Robert A.M. Stern's qualifications.

Mr. Kitahata arrived at this time, 4:20 p.m.

Robert Stern made a design presentation, which included slides, and responded to questions from the Commissioners.

The following persons spoke regarding item (a): Arthur Pollack, Anne Bement, Dorothy Dang and Dr. Heller, Hills Plaza; Robin Chang; Nan McGuire, San Francisco Tomorrow; and Rick Mariano, Rincon Point-South Beach Citizens Advisory Committee.

Mr. Pollack noted his opposition because there will be loss of light and views that were in place when the condominiums at Hills Plaza were purchased.

The other speakers, in general, indicated support for the project but expressed concerns regarding: blockage of light and views, shadows, massing, bulk, height, parking and lack of public open space.

Mr. Chang and Ms. McGuire indicated the Levi Strauss building is a good example of a project that provides open public space.

Mr. Mariano indicated that there has not been a presentation to the RP-SB CAC yet, however, there is concern about parking because a shortage already exists in the neighborhood.

In response to an inquiry from Mr. Rosales regarding the shadow impact if there is to be a park in front of the building, Robert Stern indicated that the major portion of the shadow falls on the building itself and not on any public space below.

Ms. Ong noted her concern regarding the massiveness of the west side of the building and that the rooftop will not be open to the general public.

In response to an inquiry from Commissioner Stern, Robert Stern indicated that he did not believe it is intended that the rooftop be open to the public. There is a possibility that it could be made available to the community after office hours, however, that would have to be discussed with the GAP directly.

Minutes of a Regular Meeting, October 4, 1994

In summary, Robert Stern indicated that it is intended to minimize the impact of the GAP building on Hills Plaza and noted that he believed investigation would reveal that the views on the north side of Hills Plaza are not nearly so compromised as has been suggested.

President Kouba indicated that staff will work with the architect to address concerns raised. The main issue that has been developed today is whether the bulk and massiveness will have a serious impact on Hills Plaza. That investigation will be pursued, particularly the distance between the two towers, and what impact it will have on views, etc. He requested information as to whether the Hills Plaza has rooftop amenities and, if so, are they are open to the public.

REPORT OF THE PRESIDENT

President Kouba reported on the following matters:

- (a) On October 3, 1994, the Board of Supervisors unanimously adopted an ordinance amending the Western Addition A-2 Redevelopment Plan to extend the life of the project for 15 years.
- (b) The new San Francisco Museum of Modern Art at 151 Third Street will open in January 1995 and volunteers are needed to assist with the opening events.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Richard Kono reported to the Commissioners on the following matter:

- (a) The Commissioners have received an invitation to the October 12 Grand Opening Celebration of BRIDGE Housing Corporation's affordable rental development, located at the corner of Fell and Gough Streets.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata inquired whether AB-1290 Plan Amendment hearings scheduled for October 18, 1994 relate to a project merger.

David Madway, Agency General Counsel, indicated that the Plan Amendments do not relate to a project merger. The AB-1290 Plan Amendments require action only by the Board of Supervisors, however, it was felt appropriate for the Agency to hold a public hearing to keep the public informed of changes being made to Redevelopment Plans to conform with AB-1290.

Mr. Kono indicated that staff is working on the merger issue and will report to the Commission in approximately two weeks.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Richard Brown, Coordinator of the Employment Service Program, Ella Hill Hutch Community Center (EHHCC), noted that EHHCC strongly disagrees with a staff report presented to the Commission on September 27, 1994 recommending Employment Development Service Contracts for FY 1994-95 and provided the Commissioners with a written response. He indicated that as a result of a subsequent meeting with Executive Director Clifford Graves and Economic Development staff, it is hoped this matter will be satisfactorily resolved.

Commissioners Kouba and Rosales noted that the Executive Director had expressed optimism that there will be a satisfactory resolution.

Mr. Kono indicated that revised documentation will be presented to the Commission on October 25, 1994.

President Kouba announced that there would be two closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are;

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

northeast corner of Fourth and Harrison Streets in Verba Buena Center with Haas & Haynie.

RECESS

It was moved by Mr. Kitahata, seconded by Mr. Rosales, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations. The meeting recessed at 5:10 p.m.

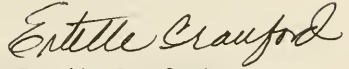
RECONVENED

At this time, 5:26 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:27 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Estelle Crawford".

Estelle Crawford
Acting Agency Secretary

APPROVED

October 25, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF OCTOBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of October, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Benny Y. Yee

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and the following was absent:

Cynthia Choy Ong
Clarence R. Stern (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: A. Jacquie Taliaferro, Film Maker; Willie B. McDowell and Shirley Jones, Mayor's Hunters Point Shipyard Citizens Advisory Committee; Lorrae Rominger, Director, San Francisco Film & Video Arts Commission; Ira Nowinski; Tom Ferentz and Robert Farrell, Sixth Street Photography Workshop; Olsen Lee, Mayor's Office of Housing; Laurie H. Glass; Arthur Jacobus, Robert Muh, Diane Kounalakis and Glenn McCoy, San Francisco Ballet; Rich Sorro, Mission Hiring Hall; Paula and Charles Collins, Yerba Buena Retail Partners, L.P.; Richard Brown, Ella Hill Hutch Community Center; Arnold Townsend; Carol Tatum and V. Mason, Young Community Developers; Paul Fey, Donald Tenconi and Robert W. Shapiro, representing Haas & Haynie; Dean Isaacs, Cala Foods; Al Borvice, Housing Development and Neighborhood Preservation Corporation; Ocie Mae Rogers; James Richards, ABV; and Katherine Nash.

President Kouba extended a welcome to newly appointed Commissioner Yee.

NEW BUSINESS - CONSENT AGENDA

President Kouba indicated that a number of requests had been received to speak regarding Consent Agenda item (b) and it would therefore be removed from the Consent Agenda and considered as Regular Agenda item.

THE FOLLOWING ITEMS CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meetings, August 30 and September 13, 1994.
- (c) Authorization of transportation expenses for Commissioner Cynthia Choy Ong and Executive Director Clifford W. Graves to travel to Seoul, Korea, November 1-5, 1994, at a cost not to exceed \$3,000.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEM (c), RESOLUTION NO 198-94-A, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Graves introduced item (b), which requests authorization of an Agreement with the San Francisco Film and Video Arts Commission in the amount of \$30,000 to perform marketing services for Treasure Island and the Hunters Point Naval Shipyard. In July 1994, the Board of Supervisors declared Buildings #2 and #180 at Treasure Island Redevelopment Survey Areas so they could be marketed for film production purposes. These facilities, along with two buildings at the Hunters Point Shipyard, are currently under license for film production. This contract would authorize an agreement with the San Francisco Film and Video Arts Commission for marketing of these properties. Funds for the agreement would come from a portion of the proceeds from the current renting of these facilities.

Mr. Stern arrived at this time 4:11 p.m.

The following persons spoke regarding item (b): A. Jacquie Taliaferro, Film maker; Willie B. McDowell and Shirley Jones, Mayor's Hunters Point Shipyard Citizens Advisory Committee (CAC); and Lorrae Rominger, Director, San Francisco Film & Video Commission.

The speakers noted their concerns that the community and the CAC are not being kept informed of local contracting and job opportunities and that hiring practices should be imposed on anyone concerned with the Shipyard and Treasure Island.

Mr. Taliaferro indicated that there are local qualified film makers in the area and the Film Commission does not pay attention to needs of African Americans.

Mr. King inquired regarding the CAC not being kept informed and Larry Florin, Manager, Base Closure, indicated that information on film companies locating at the Shipyard and Treasure Island had been presented to the CAC on three occasions. In addition, presentations were made to the Bayview Opera House, California

Lawyers for the Arts and Business Development, Inc. He noted that the leases have been extremely successful to date and there are people currently working at the Treasure Island film production facility.

In response to an inquiry from Mr. King regarding legislation governing hiring practices, Mr. Florin indicated that Congresswoman Pelosi's legislation calls for 50 percent local hiring at the Shipyard, however, this only applies to the Navy, not to private companies.

Ms. Rominger noted that the film industry in San Francisco is very unionized and the film companies involved are here under interim short term agreements. At the present time there are four or five production assistant jobs available.

In response to an inquiry from President Kouba, Ms. Rominger indicated that there had not been outreach to local film makers because she was not aware of feature film makers in San Francisco that need such a large space and the major portion of marketing activities target the Los Angeles area.

The Commissioners indicated that it is important that the local community be kept informed of contracting and job opportunities associated with film industry projects at the Shipyard and Treasure Island and their concern that this has not been occurring because marketing activities are being directed to the Los Angeles area.

Ms. Rominger indicated she would be pleased to work with the local community.

President Kouba indicated that the facilities are available to anyone who wants to make a film and will pay for the space.

Mr. Graves indicated that he would recommend that the Commission go forward with the marketing contract. However, it would be appropriate for the Commissioners to receive a report from the Film Commission on the nature of their marketing program and the CAC's for the Shipyard and Treasure Island should receive the same information. With respect to the concern about contracting opportunities for local firms, this is clearly within the purview of the production companies. There is a need for a list of firms, particularly in the Bayview Hunters Point area, that have the capability of providing contract work, either in production or in construction, etc. It would be useful to work with the CAC to see what can be done in terms of making available to the production companies a list of local firms that may be in a position to provide services. In addition, the CAC should be notified when the Film Commission is in the process of negotiating or has received an inquiry from a particular production company. Although these are short term uses, that kind of information could be useful in beginning to develop a list of qualified individuals and firms. He noted that he is

not familiar with the role of local unions, however, if the economic impact of the film community is to be increased then local people should be given an opportunity to participate through the union process.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-94-A BE ADOPTED.

RECESS

President Kouba announced that there would be a brief recess. The meeting recessed at 4:45 p.m. and reconvened at 4:47 p.m. with the same roll call.

At this time, 4:48 p.m. President Kouba left the meeting and turned the Chair over to Mr. Rosales.

- (d) Mr. Graves introduced item (d), which requests authorization of a Third Amendment to the Personal Services Contract with Ira Nowinski, which increases the amount payable under the contract by \$11,100 to a total amount of \$30,600, for Photographic Services in the South of Market. Subsequent to approval of a \$14,800 contract in March 1994 with Ira Nowinski, with the Sixth Street Photography Workshop as a subcontractor, to document existing physical and social conditions in the South of Market, the contract has been amended in two occasions. The amendments expanded the scope of work and increased the contract amount to \$19,500. The photographic survey work has been completed and it is now proposed to expand the scope of the contract for the purposes of archiving and exhibiting the photographs to a total cost not to exceed \$30,600. The Commissioners have been provided with information regarding the Request for Proposals process followed in connection with this contract. Mr. Nowinski is here to respond to questions.

Michael Kaplan, Project Coordinator, South of Market, made a presentation and introduced Tom Ferentz and Robert Farrell, Sixth Street Photography Workshop.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-94-A BE ADOPTED.

- (e) Mr. Graves introduced item (e), which requests authorization of a Contract in an amount not to exceed \$45,000 with the South of Market Problem Solving Council (SOMPSC) for services related to its function as the Citizens Advisory Committee (CAC) for the South of Market. Since its designation by the Agency as the South of Market CAC, SOMPSC has performed effectively in coordinating meetings of the CAC, assisting in the establishment of the Sixth Street Merchants and Residents Association, developing a strategic action plan for the wider South of Market area, as well as spearheading community efforts related to special social, housing, economic, public facilities and public improvement development efforts. \$45,000 is being

requested to supplement SOMPSC's 1994-95 budget in order to effectively continue its activities in the Project Area. SOMPSC has raised \$82,000, however, the fiscal year budget is estimated at \$127,000. Funds are available in the South of Market budget for this purpose. The Agency previously provided funding to SOMPSC of \$43,000 in January 1991 and \$30,000 in March 1993.

Michael Kaplan, Project Coordinator, South of Market, gave an overview of SOMPSC's activities in the South of Market.

Mr. Kitahata noted that SOMPSC has been an effective advocate for the area and it is pleasing to see that the Agency provides only a portion of the funding.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-94-A BE ADOPTED.

- (f) Mr. Graves introduced item (f), which requests authorization of an Amendment to a Predevelopment Loan with Housing Development and Neighborhood Preservation Corporation (HDNPC) to pay for a \$23,333 low-income housing tax credit performance deposit and extend the loan repayment date in connection with the development of affordable housing at 7th and Natoma Streets in the South of Market. The developer has obtained a federal low-income housing tax credit reservation, which completes the financing package for the 29-unit development of family apartments. However, a \$23,233 tax credit performance deposit must be paid by October 20, 1994 in order to reserve the tax credit allocation from the California Tax Credit Allocation Committee. HDNPC has requested Agency funds to pay for this deposit in addition to approximately \$455,733 for other predevelopment activities. The Citywide Housing Loan Committee has approved funding for the deposit but directed staff to further review the balance of the request and bring a recommendation to a future Loan Committee meeting. The Commissioners have been provided with background information on the project which indicates approval in April 1994 of a \$1.7 million Agency funding commitment.

Kevin Warner, Development Specialist, provided background information on the project and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-94-A BE ADOPTED.

- (g) Olsen Lee, Mayor's Office of Housing, introduced item (g), which requests authorization of a \$383,000 increase in a Predevelopment Loan, including an extension in the loan repayment date, with Housing Development and Neighborhood Corporation (HDNPC) authorizing a Grant Agreement in the amount of \$1,251, 122 for the development of 109 affordable housing at

101 Valencia Street as part of the Citywide Tax Increment Housing Program. HDNPC was previously funded in the amount of \$2 million during the initial round of the Citywide Tax Increment Housing Program and \$2,020,000 from the City's Office of Affordable Housing Production Program to acquire the site. Subsequently HDNPC obtained a \$2,332,000 Agency predevelopment loan, a \$1,371,000 predevelopment loan from the Low Income Housing Fund and a \$360,000 predevelopment loan from the Mayor's Office of Housing. HDNPC also has a construction loan commitment from Wells Fargo Bank and three participating lenders in the amount of \$13,125,000. The Agency's predevelopment loans will be repaid upon construction completion and from the proceeds of the non-residential and residential sales. Construction is scheduled to commence in November 1994 and it is anticipated that the property will be ready for occupancy by May 1996. HDNPC has met with representatives of local neighborhood organizations and immediate neighbors on an ongoing basis and there has been no community opposition. The Citywide Housing Loan Committee has approved this funding request.

At this time, 5:00 p.m., President Kouba returned to the meeting and resumed the Chair.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-94-A BE ADOPTED.

- (h) Mr. Graves introduced item (h), which requests authorization of an amendment to the Predevelopment Loan Agreement with the San Francisco Housing Development Corporation (SFHDC) to provide additional funds not to exceed \$50,000 to cover predevelopment expenses associated with the development of Site DD-2 located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point. In March 1993, a \$75,000 Loan Agreement was approved for this proposed 28 unit development of ownership housing affordable to households with incomes averaging below 90 percent of the area median income. The additional \$50,000 being requested is to provide interim financing to cover architectural and consultant expenses and would be repaid when another predevelopment loan source provides \$177,000 by the end of January 1995. Repayment of the remaining original \$75,000 principal balance would be extended one year with a revised due date of the earlier of the construction loan closing or September 14, 1995. This one year extension and the \$50,000 funding request has been approved by the Citywide Housing Loan Committee.

Michele Davis, Development Specialist, noted a discrepancy between the figures shown in the memorandum and the attachment and clarified the line item breakdown for the predevelopment loan.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-94-A BE ADOPTED.

- (i) Mr. Graves introduced item (i), which requests authorization of a Personal Services Contract with Laurie H. Glass in an amount of \$45,000 as Administrative Assistant to the Mayor's Treasure Island Citizens Reuse Committee (CRC). Agency and City Planning staff have worked closely with the CRC since its creation earlier this year by Mayor Jordan as the focal point for community input in the planning and development of Treasure Island. Recently the Agency was awarded a \$1,203,190 grant for base conversion from the Office of Economic Adjustment (OEA) of the Department of Defense for community consulting support services. A portion of these funds, together with Community Development Block Grant funds, will be used for this contract. A Request for Qualifications (RFQ) for a Liaison Consultant was issued. Following review of the proposals and interviews conducted by the CRC, Agency and City Planning Department staff, the selection of Laurie H. Glass is recommended. The Commissioners have been provided with information on the selection process and the scope of services of the contract. services of the contract. Ms. Glass will get direction for her work from the Chair of the CRC (Gloria Root) as well as Larry Florin of the Agency. Commission approval of the contract is conditioned upon approval by OEA, which staff believes is imminent.

Larry Florin, Manager, Base Closure, introduced Ms. Glass.

ADOPTION: IT WAS MOVED BY KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-94 BE ADOPTED.

- (j) Mr. Graves introduced item (j), which requests authorization of Exclusive Negotiations, until February 8, 1995, with the San Francisco Ballet Association (Ballet) and Yerba Buena Retail Partners, L.P. for the interim use of Central Block 1 (CB-1) Office Site located on the southerly side of Market Street between 3rd and 4th Streets in Yerba Buena Center. The Ballet has requested the use of the site for the construction of a temporary performance facility to use during the two years its permanent facility is undergoing seismic upgrading. At the time exclusive negotiating rights were approved with Yerba Buena Retail Partners, they expressed interest in developing temporary retail on the CB-1 Office Site and the permanent retail development of the retail spaces in the Marriott Hotel between Market and Mission Streets because of the importance this connection has to the success of the CB-2 Entertainment/Retail Complex. The Ballet and the CB-2 Developer have met regarding the possible joint use of the CB-1 site and believe they can work together effectively toward a mutually beneficial project. The Ballet considers the CB-1 Office Site to be ideal as a temporary facility. During the exclusive negotiations period, the length of time and the terms of a ground lease will be negotiated, the development entity formed and the roles and responsibilities of the respective partners defined. The performance schedule calls for submission of a financing plan and completion of negotiation of lease terms by December 14, 1994. The value of the parcel is a

major component of the Yerba Buena Center financing plan so it is important to retain the flexibility to concurrently solicit proposals or negotiate with potential developers for the development of an office building on the site after the term of interim use.

Helen Sause, Project Director, Yerba Buena Center, gave an overview of the project and responded to questions from the Commissioners.

Mr. Graves indicated that Commissioner Ong has asked him to stress that, even though this is an interim use, the Agency's affirmative action requirements would apply to the project and that the possibility of setting specific affirmative action goals be explored. In addition, the service providers the Agency contracts with would be used as referral agencies for the project.

Ms. Sause indicated that the Yerba Buena Center documents contain affirmative action and local hiring requirements, which would be applied to this project.

The following persons spoke regarding item (j): Arthur Jacobus, San Francisco Ballet; Rich Sorro, Mission Hiring Hall; Paula Collins and Charles Collins, Yerba Buena Retail Partners, L.P.; Richard Brown, Ella Hill Hutch Community Center; Arnold Townsend; and Carol Tatum, Young Community Developers.

Mr. Jacobus noted that 90 percent of the workforce will be San Francisco residents.

Mr. Sorro indicated that with regard to construction work on the project, 50 percent of the workforce should be drawn from community-based organizations with first preference being given to South of Market residents, second to residents of other project areas, followed by San Francisco residents.

Messrs. Brown and Townsend and Ms. Tatum noted their support of Mr. Sorro's comments and indicated that this is an ideal opportunity for the Agency to help people and enforce the 50 percent resident hiring practice.

Ms. Collins noted her support of the project and indicated that it has always been intended that the area become a lively active entrance to Yerba Buena Gardens.

Mr. Collins reviewed the affirmative action program and expressed the team's commitment to achieve the program.

In response to an inquiry from Mr. Yee regarding future plans for the parcel, Mr. Graves indicated that the Redevelopment Plan calls for a 750,000 square foot office building on the site, but the office market has been badly affected by the recession. However, when the market is ready, that should be the ultimate use.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-94 BE ADOPTED.

Mr. Kitahata left the meeting at this time, 5:55 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Graves introduced item (a), which requests authorization to allocate \$75,000 from the Agency's Bayview Hunters Point Loan Pool to fund an Employment Development Project in the Bayview Hunters Point Neighborhood to include a survey of area employment needs, job development, job training and job placements programs sponsored by the Office of the Mayor.

Anthony Lincoln, Mayor's Office, made a presentation. He noted that the proposal is that the \$75,000 be allocated to the Mayor's Office of Community Development (MOCD) and MOCD would then reserve \$75,000 of business loan funds to reimburse the Loan Pool. MOCD would not transfer the funds back to the Agency, but the next awardees to get loans approved by the Commission from the loan pool would receive funds from MOCD, up to \$75,000.

Mr. Lincoln responded to questions from Shirley Jones, Chair, Mayor's Hunters Point Shipyard Citizens Advisory Committee, regarding disbursement of the funds.

- (b) Mr. Graves introduced item (b), which requests authorization of reimbursement of Deputy Executive Director and Development Services Manager applicant travel expenses in an amount not to exceed \$1,500.

These are not agenda items and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to act on these off-agenda items arose after posting of the agenda on Friday, October 7, 1994. Pursuant to Government Code Section 54954.2 of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 7, 1994.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 206-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 207-94, BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba indicated that all items on the agenda provided to the Commissioners were discussed at the regular monthly meeting with Mayor Jordan held on October 7, 1994.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) On October 11, the Board of Supervisors approved the Agency's requested Budget Amendment of \$84,000 to add two positions for administration of the HOPWA Program.
- (a) The Commissioners have been provided with a staff report on the North of Market Planning Coalition's request for Tenderloin Economic Development funds to paint the Cadillac Hotel.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Yee indicated that it is important to develop a City-wide perspective and he would like the Commission to consider holding meetings in different areas. He indicated he was not suggesting this be done on a regular basis but when there is a specific issue that is important to a particular community.

President Kouba requested staff report back in two weeks.

Mr. King indicated that meetings had been held in different areas in the past. However, some Commissioners did not want to go to certain communities and meetings in different areas should not be held at all unless all communities have an opportunity to participate.

- (b) In reference to a letter from Gloria Brown to Citibank dated September 29, 1994 regarding the deterioration in living conditions at the Fillmore Center Apartments, Mr. Stern requested a staff report on the feasibility of offering the units for sale to residents.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Paul Fey, Donald Tenconi and Robert W. Shapiro, representing Haas & Haynie, spoke regarding a Land Disposition Agreement (LDA) for a development consisting of a supermarket and residential units located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. They noted their concern that the LDA schedule had not been met due to difficulties encountered with respect to the assignment of architectural plans and requested 60 days be granted to make up for time lost.

Minutes of a Regular Meeting, October 11, 1994

Dean Isaacs, Cala Foods, indicated that Cala is ready to move forward and wants to continue with its commitment to the project.

President Kouba indicated that this matter will be discussed in Closed Session.

President Kouba announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment. Property locations and entities the Agency may negotiate with are:

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas and Haynie; and

interim use of Central 1 Office Site on Market Street between 3rd and 4th Streets in Yerba Buena Center with the San Francisco Ballet Association and the Yerba Buena Retail Partners Ltd. (Millennium Partners, Inc. and WDG Ventures, Inc.

RECESS

It was moved by Mr. Rosales, seconded by Mr. Stern, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations. The meeting recessed at 6:45 p.m.

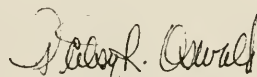
RECONVENED

At this time, 8:01 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:02 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

November 1, 1994

NOV 28 1994

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF OCTOBER, 1994

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of October, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern
Benny Y. Yee

and the following was absent:

Cynthia Choy Ong

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Eula Walters, Citizens for Open Space; Lorita Aarons, Golden Gateway Tenants Association; Harice Sisk; John Elberling; Raymond Colmenar, South of Market Problem Solving Council; Ace Washington; Ocie Rogers; M.A. McVeigh; Barry Lee; Carrie G. Ludwig, Golden Gate Commons; Pat Di Giorgio and Paul Cortez, World Center; Marie Zeller.

NEW BUSINESS

Thomas Conrad, Chief Planning and Programming made a presentation and responded to questions from the Commissioners. He noted that the Redevelopment Plan Amendments are proposed in order to comply with the provisions of the Community Redevelopment Law Reform Act (AB-1290). The Plan Amendments would limit the time for the performance of redevelopment activities, limit the time for incurring debt, and establish the time for the receipt of tax increments to repay debt. Although the AB-1290 Plan Amendments require action only by the Board of Supervisors, it was felt appropriate for the Agency to hold a public hearing to keep the community informed of changes being made and community organizations within each of the redevelopment project areas have been informed of the public hearings. In addition, property owners, residents, business operators and taxing agencies have been

appropriately noticed. Staff will continue to respond to inquiries up until the time of the Board of Supervisors' public hearings on the Plan Amendments.

- (a) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment for the Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

- (1) Mr. Graves introduced item (a) (1), which requests approval of Addendum to the Report on the Redevelopment Plan Amendment for the Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its information.
- (2) Mr. Graves introduced item (a) (2), which requests approval of the proposed Redevelopment Plan Amendment for the Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area and authorizing its transmittal to the Board of Supervisors of the City and County of San Francisco.

David Madway, Agency General Counsel, noted that there are four specific parcels that will not be covered by the new termination date because the Plan's land use provisions have expired. Those properties, which are now within the jurisdiction of the City Planning Department, include Richard Henry Dana House, Buckelew House, MacCondray House, William Heath Davis House, Sidney Walton Park and Golden Gateway Tennis Courts.

The following persons spoke regarding items (a) (1) and (2): Eula Walters, Citizens for Open Space; and Lorita Aarons.

Mr. Madway provided the speakers with a map and responded to questions regarding parcels no longer under the Agency's jurisdiction with respect to land use controls.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (a) (1), RESOLUTION NO. 208-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (a) (1), RESOLUTION NO. 209-94, BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment for the Hunters Point Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

- (1) Mr. Graves introduced item (b) (1), which requests approval of the Addendum to the Report on the Redevelopment Plan Amendment for the Hunters Point Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its information.
- (2) Mr. Graves introduced item (b) (2), which requests approval of the proposed Redevelopment Plan Amendment for the Hunters Point Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its consideration.

Harice Sisk spoke regarding property at 128 Navy Road in the Hunters Point Project Area

Mr. Graves indicated that staff would discuss this matter further with Mr. Sisk and report back.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (b) (1), RESOLUTION NO. 210-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (b) (2), RESOLUTION NO. 211-94, BE ADOPTED.

- (c) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment for the India Basin Industrial Park Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

- (1) Mr. Graves introduced item (c) (1) which requests approval of the Addendum to the Report on the Redevelopment Plan Amendment for the India Basin Industrial Park Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its information.
- (2) Mr. Graves introduced item (c) (1) which requests approval of the proposed Redevelopment Plan for India Basin Industrial Park Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its consideration.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (c) (1), RESOLUTION NO. 212-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (c) (1), RESOLUTION NO. 213-94, BE ADOPTED.

- (d) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

- (1) Mr. Graves introduced item (d) (1), which requests approval of the Addendum to the Report on the Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its information.
- (2) Mr. Graves introduced item (d) (2), which requests approval of the proposed Redevelopment Plan Amendment for Rincon Point-South Beach Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its consideration.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (d) (1), RESOLUTION NO. 214-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (d) (2), RESOLUTION NO. 215-94 BE, ADOPTED.

- (e) Public Hearing to hear all persons interested in a proposed Redevelopment Plan Amendment for the South of Market Earthquake Recovery Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

- (1) Mr. Graves introduced item (e) (1), which requests approval of the Addendum to the Report on the Redevelopment Plan Amendment for the South of Market Earthquake Recovery Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its information.

Minutes of a Regular Meeting, October 18, 1994

- (2) Mr. Graves introduced (e) (2), which requests approval of the proposed Redevelopment Plan Amendment for the South of Market Earthquake Recovery Redevelopment Project Area and authorizing transmittal to the Board of Supervisors for its consideration.

The following persons spoke regarding item (e): Raymond Colmenar, South of Market Problem Solving Council; and John Elberling.

The speakers indicated that the community has expressed concern regarding an extension to 2030 for the performance of redevelopment activities because there is a desire for a limited involvement by the Agency and requested the date remain at June 11, 2010.

Mr. Graves indicated that a shorter time frame will reduce the Agency's ability to exercise options with respect to financing and improvements and constrains its ability to work with the community.

After an extensive discussion between the Commissioners, staff and the speakers, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE TIME FOR THE PERFORMANCE OF REDEVELOPMENT ACTIVITIES BE EXTENDED FROM JUNE 11, 2000 TO JUNE 11, 2010.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (e) (1), RESOLUTION NO. 216-94, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (e) (2), RESOLUTION NO. 217-94, AS AMENDED, BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) The Center for the Arts will hold its First Anniversary Celebration October 19 through 23, 1994.
- (b) On October 12, BRIDGE Housing Corporation held a Grand Opening Celebration for its affordable rental development, located at the corner of Fell and Gough Streets.

RECESS

It was moved by Mr. King, seconded by Mr. Stern, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations. The meeting recessed at 5:00 p.m.

Minutes of a Regular Meeting, October 18, 1994

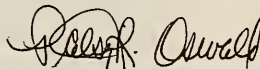
RECONVENED

At this time, 6:00 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Rosales, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:01 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", written in a cursive style.

Patsy R. Oswald
Agency Secretary

APPROVED

November 15, 1994

NOV 28 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF OCTOBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of October, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Clarence R. Stern
Benny Y. Yee

and the following was absent:

Leroy King (Arrived 4:12 p.m.)
Gary Kitahata (Arrived 4:15 p.m.)
Cynthia Choy Ong

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Berri McBride, Stony Hill Summit Partners; Raymond Odon, UMNI & AMJAD Enterprises; Ray Jones, Urban Economic Development Corporation; Amelita Pasqual, South of Market Foundation; Richard Brown, Ella Hill Hutch Community Center; Rema Tangelig, South of Market Problem Solving Council; Carol Tatum and Jesse Mason, Young Community Developers; Karen Carter, Women's Initiative for Self Employment; Claudia Vieck, San Francisco Renaissance; and Mark Fernandez, King Security.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meeting, October 4, 1994 and Closed Session Meeting, October 4, 1994.
- (b) Authorizing payment of premiums to Rollins Hudig Hall in the amount of \$30,755 for renewal of South Beach Harbor Insurance Coverage; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA (a), APPROVAL OF

MINUTES, AND CONSENT ITEM (b), RESOLUTION NO. 218-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for the parcel located on the northwest corner of Hudson Avenue and Whitney Young Circle; Hunters Point.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Michele Davis, Development Specialist, introduced item (c), which requests authorization of the assignment of a Land Disposition Agreement (LDA) with Summit Partners to Stony Hill Summit Partners for the development of Site EE-2 located on the northwest corner of Hudson Avenue and Whitney Young Circle in Hunters Point.

Mr. King arrived at this time, 4:12 p.m.

- (d) Michele Davis, Development Specialist, introduced item (d), which requests authorization of an amendment to the LDA with Stony Hill Summit Partners for the development of Site EE-2.

In May 1990, an LDA was authorized with Summit Partners for the development of 27 three bedroom units. The developer has requested permission to amend the performance schedule and to assign the agreement to their restructured entity, Stony Hill Summit Partners, comprised of Mendell Terrace Group as Managing General Partner and Los Robles Development Company as General Partner. The restructuring is to add an additional equity partner to the project, which is critical to obtain financing. In addition to extending the performance schedule, the amendment authorizes certain mortgagee protections required by the construction lender, Wells Fargo Bank. Wells Fargo has provided a financing commitment of \$3.6 million. The Bank has requested the Agency subordinate the terms and conditions of the LDA, including affordability and land use restrictions, to its construction loan in the event of foreclosure. Staff negotiations with the Bank have resulted in a solution which would allow additional time for the Agency to find a new developer if a foreclosure occurred during construction. If default occurs once the units are selling, the Bank has agreed to provide an additional six months extension of its loan repayment date to cure the default and complete the sale of the units. The revised performance schedule calls for conveyance of the site by March 22, 1995, commencement of construction by April 15, 1995, with completion by April 1996.

Berri McBride, Stony Hill Summit Partners, provided background information on the project and requested approval of items (c) and (d).

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 219-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (d). RESOLUTION NO. 220-94, BE ADOPTED.

Mr. Kitahata arrived at this time, 4:15 p.m.

- (e) Mr. Graves introduced item (e), which requests authorization of a contract with the South of Market Foundation (SOMF) in an amount not to exceed \$150,683 for the period November 1, 1994 through June 30, 1995 for Business Development Services in the South of Market.
- (f) Mr. Graves introduced item (f), which requests authorization of a contract with Urban Economic Development Corporation (UEDC) in an amount not to exceed \$126,667 for the period November 1, 1994 through June 30, 1995 for Business Development Services in the Western Addition A-2, Hunters Point and India Basin Industrial Park.
- (g) Mr. Graves introduced item (g), which requests authorization of a contract with Ella Hill Hutch Community Center (EHHCC) in an amount not to exceed \$210,393 for the period November 1, 1994 through June 30, 1995 for Employment Development Services in the Western Addition A-2.
- (h) Mr. Graves introduced item (h), which requests authorization of a contract with Young Community Developers, Inc. (YCD) in an amount not to exceed \$159,433 for the period November 1, 1994 through June 30, 1995 for Employment Development Services in Hunters Point.
- (i) Mr. Graves introduced item (i), which requests authorization of a contract with Mission Hiring Hall's South of Market Employment Center (MHH) in an amount of \$174,506 for the period November 1, 1994 through June 30, 1995 for Employment Development Services in the South of Market and Yerba Buena Center.
- (j) Mr. Graves introduced item (j), which requests authorization of a contract with the San Francisco Renaissance (SFR) in an amount not to exceed \$28,000 for the period November 1, 1994 through June 30, 1995 for Employment Development Services in Hunters Point, South of Market and the Western Addition A-2.
- (k) Mr. Graves introduced item (k), which requests authorization of a contract with the Women's Initiative (WISE) for Self-Employment in an amount not to exceed \$16,000 for the period November 1, 1994 through June 30, 1995 for Employment

Development Services in Hunters Point and the Western Addition A-2.

The term of the contracts were recently extended to provide additional time to develop Fiscal Year 1994-95 contracts that focus contractors' activities on the Agency's goals for business and employment development programs. The Commissioners have been provided with information regarding the scope of work to be provided.

Kent Sims, Program Manager, Economic Planning and Development, gave an overview of the new procedures that will be implemented and responded to questions from the Commissioners.

The following persons spoke regarding items (e) through (k) and responded to questions from the Commissioners regarding their respective programs: Raymond Odon, UMMI & AMJAD Enterprises; Ray Jones, UEDC; Amelita Pasqual, SOMF; Carol Tatum, representing the Consortium of Contracting Agencies (SOMF, EHHCC, YCD and MHH); Richard Brown, EHHCC; Rema Tanguilig, South of Market Problem Solving Council; Karen Carter, WISE; and Claudia Viek, SFR.

The speakers noted that there is insufficient funding to implement effective marketing programs for the business development and business loan programs. The Consortium of Employment Development Service Providers requested a sixty day grace period to implement the new procedures. It was requested workshops be held to provide an opportunity for the service providers to interact with the Commission. The speakers expressed appreciation to Mr. Graves and Mr. Sims for facilitating the process.

President Kouba indicated that when he meets with Mayor Jordan on October 27 he will report on the service providers' activities and stress that additional funding is needed for marketing activities, which possibly can be provided by another source.

Mr. Graves indicated that workshops would be scheduled.

Mr. Brown provided the Commissioners with a document prepared by the Consortium of Contracting Agencies entitled "The Solution to Unemployment is Employment".

Ms. Carter noted her concern at the reduction in funding for WISE.

Mr. Graves indicated that when the contract is signed the funding for WISE will be increased by approximately \$4,500. More funds were made available by shortening the project year from twelve months to eleven months.

At President Kouba's request, Mr. Sims reported on funding provided to WISE in the past.

Minutes of a Regular Meeting, October 25, 1994

The Commissioners commended Mr. Graves and Mr. Sims on their achievements with the service provider contracts.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 221-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR YEE, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 222-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION 223-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 224-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION NO. 225-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (j), RESOLUTION NO. 226-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 227-94, BE ADOPTED.

REPORT OF THE PRESIDENT

President Kouba reported to the Commissioners regarding the following matters.

- (a) The Center for the Arts' First Anniversary Celebration was a well attended and a great success.
- (b) President Kouba indicated that Mr. Yee will accompany himself and Mr. Rosales and Mr. Graves to the next regular meeting with Mayor Jordan scheduled for October 27. The Commissioners have been provided with a list of topics to be discussed. In addition, it will be suggested that the Mayor's Office of Community Development provide funding to the service providers for marketing programs.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) With respect to Commissioner Yee's suggestion for certain meetings to be held in the community, it had been intended to make a proposal at this meeting to hold one of the meetings in

November at the Southeast Community Facility as there were a number of items related to that part of the City on the agenda. However, the Disposition and Development Agreement with the GAP, which is a major item, has tended to throw the November calendar off and staff will be organizing a calendar in the near future for a meeting in the community.

President Kouba requested when the report is made that it include information on meetings held in the community in the past.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata indicated that with respect to the service provider contracts, it is a good sign that staff is being constructively critical on how the programs are being done as the Agency not only has a responsibility to fund, but to monitor and evaluate how the funds are being used.
- (b) Mr. Rosales inquired regarding a funding request from Galeria de la Raza for a project in the 24th Street area.

Mr. Graves indicated that the Commissioners have been provided with a letter written to Galeria de la Raza, however, a response has not been received.

- (c) In response to an inquiry from Mr. Rosales, Mr. Graves reported on staff positions that have been filled and those presently being processed. He noted that resources have been identified to fund a Community Relations function and staff will be reporting to the Commission on this issue.
- (d) Mr. Rosales inquired regarding a written request he had made for a breakdown on minority participation and the percentage of Hispanics within a contract awarded to APS for security at Yerba Buena Gardens. He noted his concern that the APS is not a San Francisco based firm.

Mr. Graves indicated that the breakdown requested by Mr. Rosales will be sent to all Commissioners when it has been prepared. There is an agreement with the Center for the Arts which obligates them to adhere to the Agency's Purchasing Policy and they are therefore required to follow the same selection and evaluation procedures as the Agency.

President Kouba indicated that he and Mr. Rosales had received an internal staff memorandum generated by the Center for the Arts recommending the selection of APS, which will be provided to all Commissioners.

Mr. King noted that it has been a policy for all Commissioners to receive any document provided to a Commissioner.

President Kouba indicated that this procedure will be adhered to in the future.

- (e) Mr. Yee indicated that with regard to his request to hold meetings in different areas of the City, he is not suggesting this be done on a regular basis but only when there is a specific issue that impacts a particular community.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Mark Fernandez, King Security, spoke regarding the award of a security contract for Yerba Buena Gardens. He noted his concern that the Center for the Arts has refused to disclose information regarding the selection process and requested the Commission investigate why the contract had not been awarded to a small local firm.

President Kouba indicated that a report will be provided to Mr. Fernandez on the selection process.

President Kouba announced that there would be two Closed Sessions to instruct the Agency's real property negotiator with respect to price and terms of payment. Property locations and the entities that the Agency may negotiate with are:

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas & Haynie.

RECESS

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations. The meeting recessed at 5:20 p.m.

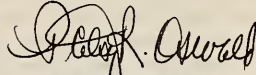
RECONVENED

At this time, 6:05 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Rosales, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:06 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", written in a cursive style.

Patsy R. Oswald
Agency Secretary

APPROVED

November 15, 1994

DEC 12 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF NOVEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of November, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong
Benny Y. Yee (Arrived 4:40 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Mimi Silbert, President and Chief Executive Officer, Delancey Street; Gerald Miller, Mike Hennen, Cedric Green, Steve Tolliver, Robert Rocha, Anthony Jones, Steve Campbell, Kevin Ward, Rochelle White, Mary Peers and Fred Helander, Delancey Street Foundation; Rob Seelig, Mercy/Charities Housing California; Robert Arrington, Future Perfect, Inc.; Orlando Calderon and Audrey Comeaux, Hillside Village; Sumiko and Scott Saulson, Iconoclast Productions; Richard Brown, Ella Hill Hutch Community Center; and Kathy Perry, Community Outreach Project.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Meetings, September 27 and October 11, 1994.
- (b) Authorizing a \$60,000 First Amendment to the Personal Services Contract with Mallas and Foote for design services to complete installation of a more extensive security system for the Esplanade; Yerba Buena Center.

- (c) Authorizing a First Amendment to the Agreement for Professional Services which increases the amount payable by \$32,200 and expands the scope of services with Terry A. Hayes Associates in connection with the preparation of an Environmental Impact Report for the South of Market Earthquake Recovery Redevelopment Project Area.
- (d) Approving "Designation of Applicant's Agent Resolution" (Office of Emergency Services Form 130); All Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (b) THROUGH (d), RESOLUTION NUMBERS 228-94, 229-94 AND 230-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Graves introduced item (e), which requests authorization of a Rent Credit for Delancey Street Foundation for Site J, bounded by Brannan Street, the Embarcadero and First Street, which would provide temporary rent relief up to \$133,300 retroactive for the lease year beginning July 1, 1994 in connection with Rincon Point-South Beach. Subsequent to completion of its Embarcadero Triangle development in 1990, two years of construction of the South Embarcadero Roadway Project has adversely impacted Delancey Street's ability to lease its commercial space and rent relief is being sought to provide time to secure tenants. The Agency leases the site from the Port of San Francisco and Delancey Street subleases it from the Agency. Staff believes a rent credit of \$133,300, which amounts to half the annual rent, is reasonable.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, noted that staff is now working with the Port to alter the Option to Lease Agreement that will permit a change in the gross receipts structure, which will assist Delancey Street in renting out the commercial space.

Mimi Silbert, President and Chief Executive Officer, Delancey Street, requested approval of item (e).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-94 BE ADOPTED.

Ms. Silbert gave an overview of the Delancey Street project and expressed appreciation to the Commission and staff for developing this process to assist Delancey Street.

- (f) Mr. Graves introduced item (f), which requests authorization of a Construction Management Contract in an amount of \$2,551,000 with Turner Construction Company (Turner) for Construction Management Services for the Children's Center on Central Block Three (CB-3) in Yerba Buena Gardens. Pursuant to Commission approval in August 1994, staff has negotiated a contract with

Turner for construction management services commencing with review of the construction documents and continuing through construction. The \$2.551 million contract amount will be paid on a time and materials basis and it includes a contingency amount of \$100,000 to cover potential additional services should they become necessary during construction. This amount, representing approximately 6.25 percent of the estimated construction cost of the project, is slightly below the percentage paid by the City on Moscone projects. The Commissioners have been provided with information on Turner's affirmative action program, which staff finds highly satisfactory, with approximately 33 percent of the total contract amount going to MBE's and approximately 20 percent going to WBE's.

ADOPTION: IT WAS MOVED BY MR. STERN, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-94 BE ADOPTED.

- (g) Mr. Graves introduced item (g), which requests authorization of a \$180,000 Predevelopment Grant to Mercy/Charities Housing California (MCHC) in connection with the acquisition and rehabilitation of the Rose Hotel located at 125 Sixth Street in the South of Market. This funding is being requested to cover predevelopment costs associated with the development of affordable housing at Sixth and Minna Streets. The Sponsor proposes to convert the Rose Hotel into 80 SRO units and renovate the existing commercial space for use by tenant support service providers program. Community Housing Partnership would administer the proposed tenant support services program. The existing commercial space would also be renovated. The sponsor expects to receive a McKinney Section 8 Moderate Rehabilitation Grant from the U.S. Department of Housing and Urban Development (HUD), which would provide approximately \$3 million in federal subsidies over a ten year period. The proposed financing plan includes predevelopment, acquisition and construction loans from the Agency, a Low-Income Housing Tax Credit equity investment as well as conventional construction and permanent loans. The Citywide Housing Loan Committee has approved the funding request subject to certain conditions, which include a stipulation that the project must receive the McKinney Section 8 contract award.

Kevin Warner, Development Specialist, gave an overview of the project and responded to questions from the Commissioners. He noted that staff will be returning to the Commission with an evaluation and recommendation on further funding for the project.

In response to an inquiry from President Kouba, Rob Seelig, Mercy Charities, indicated that a decision on the HUD funding is imminent.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-94 BE ADOPTED.

- (h) Mr. Graves introduced item (h), which requests authorization of Exclusive Negotiations with Future Perfect, Inc. (FPI) for the development of Site X located on the south side of Keith Street at Hudson Avenue in Hunters Point. On August 30, 1994, the Commission allowed FPI additional time to submit a completed response to a Request for Qualifications (RFQ) issued in October 1993 for the development of market-rate housing on the site. Staff found FPI's submission to be unresponsive to the RFQ selection criteria and recommended rejection of the proposal. The Commission directed staff to reconsider its recommendation if the developer could meet certain conditions acceptable to staff. The developer has not agreed to all of the conditions proposed by staff, however, since FPI was the only respondent and has partially met the conditions, staff recommends approval of exclusive negotiations until March 15, 1995, during which time it is believed that the outstanding issues can be resolved.

Michele Davis, Development Specialist, summarized the outstanding issues and responded to questions from the Commissioners.

Robert Arrington, representing Future Perfect, Inc., indicated that the Developer intends to adhere to the conditions.

The following persons spoke regarding item (h): Orlando Calderon; and Audrey Comeaux, Homeowners, Hillside Village.

The speakers noted their concerns regarding the non-compliance of FPI pertaining to the completion of the Hillside Village development and indicated that the developer needs to resolve the problems at Hillside Village before moving forward with another project. It was noted that punch list items had been requested from all homeowners and twenty responses have been received to date.

Mr. Yee arrived at this time, 4:40 p.m..

Mr. Graves noted that staff had previously raised a concern about moving forward with this developer on another site while there are still outstanding issues at Hillside Village. He recommended securing punch list items from all homeowners and that a development agreement not be authorized for the new site until outstanding issues at Hillside Village are resolved. The Commissioners will be provided with a complete list of punch list items when it is available as well as any further communication with the developer.

Mr. Arrington indicated that Future Perfect is willing to take care of valid punch list items, however, normal maintenance is the responsibility of the individual homeowner.

President Kouba indicated that staff will verify the validity of the punch list items.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba and Mr. Rosales reported on items discussed with Mayor Jordan at the regular monthly meeting held on October 28, 1994.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters.

- (a) Due to Election Day falling on Tuesday, November 8, the next regular Agency meeting will be held on Monday, November 7. The Commission President and the Executive Director are scheduled to meet with Mayor Jordan on November 7 at 4:00 p.m. on the GAP and the meeting on that day will therefore start at 2:00 p.m.
- (b) In response to a request from Commissioner Rosales and a member of the public at the October 25, 1994 meeting regarding a security services contract awarded for the Center for the Arts, the Commissioners have been provided with information which indicates Agency procedures were followed in the selection process and also notes the ethnic composition of the workforce of the selected firm.

Mr. Rosales noted his concern that the report indicates that local preference did not apply because it was not a subcontract and that APS was determined to be the best qualified out of six bids submitted. In addition, the report indicates that the Agency has been historically under-utilizing Minority Business Enterprises (MBE's) Woman-owned Enterprises (WBE's) in professional and personal services contracts. If these types of businesses are being under-utilized and at the same time nonprofits the Agency funds are not taking that into consideration because it is not part of the program, what can be done to alleviate the problem? He noted that there will be new contracts issued for Yerba Buena Center facilities and he would like a solution to what he feels is under-utilization of a certain group of businesses.

Mr. Graves indicated that except for the issue of the relation of nonprofits funded by the Agency, these issues were studied extensively by a Working Group appointed by the Commission and the procedures followed were based upon the recommendations of that Working Group. To alleviate the situation, staff can look at the issue of MBE/WBE firms as "primes" in preference.

Mr. Rosales indicated that he would like staff to come back with a recommendation on how to strengthen what has been developed in the past.

An extensive discussion ensued between the Commissioners regarding the pro's and con's of local hiring preference practices and under-utilization of M/WBE's in Agency contracts.

President Kouba requested staff to report back regarding issues raised.

- (c) With respect to Commissioner Yee's request to hold Agency meetings in the community, the Commissioners have been provided with background information on what occurred in the past. It is recommended a community site be selected for an Agency meeting when a number of issues affecting a specific area can be identified.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Sumiko Saulson and Scott Saulson, Iconoclast Productions, made a presentation regarding television advertising to promote businesses in the Western Addition and noted that it is planned to bring a proposal to the Commission in the future.
- (b) At the request of Richard Brown, Ella Hill Hutch Community Center, Mr. Graves provided information on item (e), authorizing a rent credit for the Delancey Street Foundation and noted that the rent is not being paid by the Agency.
- (c) Kathy Perry, Community Outreach Project, distributed a proposal by Ace Washington for a Daily News Program to the Commissioners and requested this be calendared as a future agenda item. She also noted her support of the proposal by Iconoclast Productions.

President Kouba announced that there would be a Closed Session pursuant to Government Code 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Haas and Haynie; and

San Francisco Naval Shipyard with the United States Navy.

RECESS

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations. The meeting recessed at 5:20 p.m.

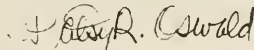
RECONVENED

At this time, 6:10 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Rosales, seconded by Mr. Stern, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:12 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

December 6, 1994

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF NOVEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 2:00 o'clock p.m. on the 7th day of November, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Cynthia Choy Ong
Clarence R. Stern
Benny Y. Yee

and the following was absent:

None

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Alex Pitcher and Matt Ettinger, South Bayshore Community Development Corporation (SBCDC); Arelious Walker; Samuel Murray, New Bayview Committee; Willie B. McDowell, WHGS Youth Foundation; Kathryn Devincenzi, Murphy Properties, Inc.; James Lowder and Wayne April, Dolores Street Community Services; Patricia Chiapellone, Lutheran Social Services of Northern California; Bob Nelson and Drew King; Philip Aarons and Paula Collins, Yerba Buena Retail Partners, L.P.; Jim West, Yerba Buena Consortium/South of Market Neighborhood Association; Luis Belmonte, AMB Properties; William Hadaya, Museum Parc Homeowners Association; Robert Davis and Kes Narbutas, KTB Realty Partners, Inc; Captain Jim White; Reverend John Phillips; Dorothy Lawrence; Patricia Di Georgio and Paul Cortez, World Center; Karen Huggins and Espanola Jackson, District 7 Democratic Club.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) Mr. Graves introduced item (a), which requests final approval of the Personal Services Contract with the South Bayshore Community Development Corporation (SBCDC) in an amount of \$400,000 to provide specific services in connection with survey and planning efforts in the proposed South Bayshore Area. On August 30, 1994, the Commission approved the contract

conditioned upon an expansion of the Board of Directors to include representation from the broader South Bayshore community. The Board subsequently voted to increase the number of seats on the board from 13 to 19 and the By-Laws have been appropriately amended to permit this expansion. The Commissioners have been provided with a list of the new Board of Directors, which staff believes adequately addresses the Commission's concern with respect to the Board's expansion. It is therefore recommended that Personal Services Contract with the SBCDC be approved, but that it not be executed until after the Board of Supervisors takes official action on the survey area for the South Bayshore.

Mr. Rosales noted that there is concern about the process and inquired regarding the procedure followed for expansion of the Board.

Mr. Graves indicated the procedure followed is contained in the minutes of the Board of Directors meeting of October 20, 1994, copies of which have been provided to the Commission.

The following persons spoke regarding item (a): Alex Pitcher, SBCDC; Arelious Walker; Samuel Murray, New Bayview Committee; Willie B. McDowell, WHGS Youth Foundation; and Kathryn Devincenzi, Murphy Properties, Inc.

Mr. Pitcher made a presentation and responded to questions from the Commissioners. He noted that as instructed by the Commission, participation on the Board of Directors has been expanded to include other groups. The Board will not make decisions without community input and everyone will have an opportunity to participate because it is planned to appoint Task Forces.

Messrs. Walker and Murray and Ms. McDowell indicated their support for the proposed expanded Board because it has broad representation. It was noted that a nineteenth slot is open on the Board for youth representation.

Ms. Devincenzi noted her concern about how the proposed expanded board was selected and that industry is not represented. She requested there be representation by three industrial business and property owners from the Candlestick Doubleroock Community Association. She also noted her concern that Mr. Pitcher may be asked to step down due to a conflict of interest.

Mr. Pitcher indicated that the conflict of interest issue has been raised because he is a City official and an opinion has been sought but not yet received. If it is found a conflict exists, the office will not locate at the Southeast Community College as presently proposed and another location will be found.

Mr. Rosales indicated that industry is not represented and suggested adding three more members to satisfy this concern.

Ms. Ong noted her concern that not everyone in the community is satisfied with the procedure followed in selecting the Board members and the conflict seems to be regarding the acceptance of three industrial representatives. She indicated that she would be willing to vote affirmatively if the Board is to be expanded by three industrialists. If not, the matter should be delayed until there is an investigation as to whether the procedure followed in selecting the Board members is acceptable.

Mr. King indicated that the Board has broad representation and there is enthusiasm by the community. It is time to move forward and the Board can be expanded at a later time if it is found necessary.

Mr. Kitahata noted his preference to continue the item and have staff analyze the request to expand the board so it has industrial representation.

Following an extensive discussion between the Commissioners regarding the composition of the Board, the following motion was made:

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY PRESIDENT KOUBA, THAT RESOLUTION NO. 236-94 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. YEE, THAT ITEM 2 (a) BE CONTINUED.

Following further discussion, the following motion was made:

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND CARRIED, WITH MS. ONG OPPOSING, THAT THE RESOLUTION BE AMENDED TO DIRECT STAFF TO NEGOTIATE FURTHER WITH THE SBCDC TO FURTHER EXPAND THE BOARD OF DIRECTORS BY TWO INDUSTRIALISTS FROM THE AREA.

Ms. Ong noted her concern that no reason has been stated why the nominees of Candlestick Doublerock are unacceptable and she would recommend at least two be seriously considered.

Mr. Rosales requested consideration be given to including a Hispanic industrialist.

Mr. Pitcher indicated that it is his understanding that the Board of Directors will have the final authority on the selection of the two industrialists.

President Kouba indicated that following approval by the Commission of the expanded Board today, staff will work with the Board to expand it by two industrialists. However, the Commission will not review the composition of the Board any

further. Anyone concerned about the process should continue to participate by going to the Board meetings and joining the Task Forces when they are set up.

The Commissioners commended Mr. Pitcher for expanding the Board of Directors to achieve broad community representation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-94 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a First Amendment to the Personal Services Contract with the Women's Initiative for Self Employment (WISE) for Entrepreneurial Development Services in an amount not to exceed \$4,488 for the period November 30, 1994 to June 1, 1995; Western Addition A-2 and Hunters Point Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. STERN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-94 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Chris Harris, Development Specialist, introduced item (b), which requests authorization of a Housing Opportunities for Persons with AIDS (HOPWA) Supportive Services Agreement in an amount of \$311,732 with Dolores Street Community Services in connection with the Hope Housing Program's Richard M. Cohen Residence at 220 Dolores Street. Dolores Street Community Services proposes to open a licensed 10 bed, residential care facility for chronically ill homeless/very low income men and women who have disabling HIV/AIDS and require 24 hour supervision. The Commission previously approved \$300,000 in HOPWA capital monies for rehabilitation of this facility, which is due to open in mid-December 1994. Authorization of this agreement, which has been approved by the HOPWA Loan Committee, will provide supportive services to the ten residents for a 14 month period. When the HOPWA contract terminates, the AIDS Office will renew the supportive services contract with Comprehensive AIDS Resource Emergency (CARE) monies.

Ms. Harris introduced James Lowder and Wayne April, Dolores Street Community Services.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-94 BE ADOPTED.

- (c) Chris Harris, Development Specialist, introduced item (c), the purpose of which is for a presentation of Rental Housing Assistance proposals by Catholic Charities of the Archdiocese of San Francisco and Lutheran Social Services of Northern California in connection with the Housing Opportunities for Persons with AIDS (HOPWA) Program. Two responses were received to a \$370,000 Request for Proposals (RFP) seeking proposals from qualified nonprofit sponsors interested in providing tenant-based rental housing assistance services to HIV-disabled persons under the HOPWA Program. The Commissioners have been provided with a staff summary of the two proposals received which will be considered by the HOPWA Loan Committee on November 10. The action approved by the Loan Committee will be calendared for Commission action on November 22, 1994. The program is scheduled to begin by December 1994 or January 1995.

Patricia Chiapellone made a presentation on behalf of Lutheran Social Services of Northern California and responded to questions from the Commissioners.

Bob Nelson and Drew King made presentations on behalf of Catholic Charities, including slides, and responded to questions from the Commissioners.

- (d) Mr. Graves introduced item (d), which requests authorization of Exclusive Negotiations, until March 1, 1995, with Yerba Buena Retail Partners, L.P. (Developer) for the Central Block 1 (CB-1) Market Street Connector Site, within and to the east of the Marriott Hotel between Market and Mission Streets in Yerba Buena Center. At the time exclusive negotiations were authorized for the Central Block (CB-2) Entertainment/Retail site, the Developer expressed its interest in developing the retail portion of the CB-1 Office Site and the retail spaces in the Marriott Hotel between Market and Mission Streets because it is an important connection to the CB-2 Entertainment/Retail complex. Discussions were postponed pending completion of the CB-2 Land Disposition Agreement (LDA) in July 1994. At that time the Developer reiterated its interest in developing this connection. Subsequently, the San Francisco Ballet came forward and expressed an interest in temporarily locating on the CB-1 Office Building site. With retail along that parcel and in the hotel "cave" parcels a very lively entrance would be provided between Market and Mission Streets. In October 1994, exclusive negotiations were granted to the San Francisco Ballet and the Developer jointly for the interim use of the CB-1 Office Site. Authorization is now being requested to negotiate exclusively with the Developer regarding the permanent retail space planned for the Market Street Connector Site on CB-1. The performance schedule calls for completion of negotiation of the LDA/Lease Terms by January 25, 1995.

At this time, 3:50 p.m., Mr. Graves left the meeting and Richard Kono, Senior Deputy Executive Director, conducted the remainder of the proceedings.

Helen Sause, Project Director, Yerba Buena Center, provided background information on the project and responded to questions from the Commissioners.

Philip Aarons and Paula Collins, Yerba Buena Retail Partners, L.P., requested approval of item (d) and indicated that the Market Street Connector is essential to the successful development of Central Block 2.

Jim West, Yerba Buena Consortium/South of Market Neighborhood Association, indicated he wants to be a part of the process and to be kept informed of developments.

Ms. Sause indicated that Mr. West will kept apprised of developments.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-94 BE ADOPTED.

- (e) Mr. Kono introduced item (e), which requests authorization of Exclusive Negotiations, until June 14, 1995, with AMB Properties II, a limited partnership to be formed, for a housing development on Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. Two responses were received by the June 22 deadline to a Request for Proposals (RFP) which permits the development of housing, commercial, light industrial live/work units and other uses on the site. AMB Properties proposes to construct a 215 single room occupancy (SRO) type fully furnished living units for rent to persons with incomes below 40 percent of median income for the San Francisco area. The building would consist of five stories with retail on the first floor, 48 parking spaces on the first and second floors and the residential units on the top three floors. AMB bid \$1.250 million for the site. The other submission was from KTB Realty Partners, Inc. who proposed to construct a 126-unit apartment building with 75 units for rent to persons with incomes at 60 percent of median for the San Francisco area and 51 units for rent to persons with incomes at 50 percent of median. The building would consist of eight stories with retail on the first floor, 125 parking spaces on the first and second floors and the residential units on the top six floors. KTB bid \$1.350 million for the site. Both developers have experience in housing development. However, there are several major areas of difference and after careful evaluation, staff finds that AMB is qualified and has the financial capacity and development experience to undertake and complete its proposed SRO development and was judged to have a better chance of scoring sufficient points to obtain a low-income housing tax credit allocation. In addition, AMB's proposal for SRO housing, which targets low income single person households, is consistent with the City's affordable housing priorities and will assist in achieving the Agency's goal of having a broad range of housing opportunities in the area. It should be noted that the

Commission would have to approve exceptions to the Redevelopment Plan to permit SRO's on the site. In the event the AMB Properties' proposal is not accepted, staff requests that all proposals be rejected.

Luis Belmonte made a presentation on behalf of AMB Properties, introduced the development team, and responded to questions from the Commissioners.

Philip Westergaard, Development Specialists, emphasized the importance of the selection process with respect to low-income housing tax credit financing. He noted that it is critical a selection is made as soon as possible in order to avoid waiting six months for another round of tax credits to become available.

The following persons spoke regarding item (e): Jim West, Yerba Buena Consortium/South of Market Neighborhood Association; William Hadaya, Museum Parc Homeowners Association; Robert Davis and Kes Narbutas, KTB Realty Partners, Inc.

Mr. West and Mr. Hadaya noted their support for a family housing project.

Messrs. Davis and Narbutas noted their concern that because of the Agency's procedural rules a modified proposal submitted had been rejected by staff.

Helen Sause, Project Director, Yerba Buena Center, indicated that subsequent to the deadline date for submission of proposals, two unsolicited modifications were received from KTB to its proposal as well as a proposal from another developer who proposed to construct an expansion to the Moscone Convention Center. The modified KTB proposals and the proposal from the other developer were not accepted in accordance with Agency practice in fairness to the respondents of the public offering and to maintain credibility with the development community.

Mr. Kitahata noted his support of staff recommendation because an SRO development is appropriate for this site given its location. He indicated that his only concern is management of the facility, which is a long term issue, however, he would like staff to negotiate for a strong management entity.

Mr. Rosales noted that this is an appropriate site for an SRO and is not conducive to children.

Mr. Stern indicated that this is an appropriate site for SRO housing, however, he would like to see the parking facilities increased.

Mr. Belmonte indicated that the developer is willing to discuss increased parking.

ADOTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-94 BE ADOPTED.

At this time, 4:40 p.m., President Kouba left the meeting and turned the Chair over to Mr. Rosales.

RECESS

Acting President Rosales announced that there would be a brief recess. The meeting recessed at 4:40 p.m. and reconvened at 4:42 p.m., with the same roll call except for President Kouba.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Mr. Kono indicated that the Commissioners have been provided with a Draft Plan for mergers and schedule for new potential project areas, which will be discussed by Mr. Graves at a future meeting.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Captain Jim White, Security Guard, expressed appreciation to the Commissioners for sending him a floral tribute during his recent hospitalization.

Acting President Rosales announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Fourth and Harrison Streets and the entity the Agency may negotiate with is Haas and Haynie.

RECESS

It was moved by Mr. Yee, seconded by Mr. King and unanimously carried that the meeting be recessed to a Closed Session on Real Property Negotiations. The meeting recessed at 4:45 p.m.

RECONVENED

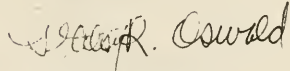
At this time, 4:57 p.m., the meeting reconvened back to the regular session and Robert Firehock, Acting Agency General Counsel, announced that no actions were taken by the Commission.

Minutes of a Regular Meeting, November 7, 1994

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:58 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is written in a cursive, flowing style.

Patsy R. Oswald
Agency Secretary

APPROVED

December 6, 1994

JAN 18 1995

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF NOVEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of November, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Gary Kitahata
Clarence R. Stern
Benny Y. Yee

and the following were absent:

Leroy King
Cynthia Choy Ong

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Shirley Jones and Sy Allen, The California Association for Health, Education, Employment and Human Dignity; Vincent Marsh, San Francisco Landmarks Preservation Board/City Planning Department; Ave' Marie Moore; John Clawson and Tom Sargent, Rincon Point Development Company; Jim Tanner and Stephen Stacey, Architects; and Eladio Ballestas.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS - CONSENT AGENDA

THE ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE VOTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Approval of Minutes: Regular Minutes, October 18 and 25, 1994.
- (b) Authorizing the issuance of a Notice of Funding Availability for an amount not to exceed \$7,039,571 in connection with the Housing Opportunities for Persons with AIDS (HOPWA) Program.

Deborah Drickerson Cortez, Development Specialist, responded to questions from President Kouba regarding HOPWA Program funding allocations.

President Kouba noted his regret that Ms. Cortez has resigned from the Agency to take a position with the Spanish Speaking Unity Council.

The Commissioners wished Ms. Cortez well in her future endeavors.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEM (b), RESOLUTION NO. 240-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Graves introduced item (c), the purpose of which is for a presentation on the Bayview Hunters Point Neighborhood Strategic Plan from San Francisco's Enterprise Community Application. In June 1994, on behalf of the City, the Agency submitted two applications covering six neighborhoods requesting that San Francisco be designated as a Federal Enterprise Community. The primary thrust of the applications is a community based Strategic Plan for each of the neighborhoods, each of which undertook an intensive neighborhood planning process. Each neighborhood will present a summary of its plan to the Commission. The Bayview Hunters Point Neighborhood Plan will be presented today. The California Association for Health, Education, Employment and Human Dignity (CAHEED) was the lead agency for the Bayview Hunters Point strategic planning process. The Commissioners have been provided with a copy of the Plan which presents strategies and specific actions for addressing identified needs.

Gail Goldman, Enterprise Zone Coordinator, introduced Shirley Jones and Sy Allen, CAHEED, who made presentations on the Strategic Plan and responded to questions from the Commissioners.

Ms. Goldman indicated that it is evident from community meetings that this community has tremendous spirit.

- (d) Public Hearing to hear all persons interested in a variance for the development of Site F-1, located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (d), which requests authorization to grant a variance from the maximum area coverage requirement contained in the Design for Development Guidelines for Rincon Point-South Beach.

- (e) Mr. Graves introduced item (e), which requests conditional approval of the Schematic Design Drawings for Site F-1, located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach, housing and neighborhood supporting commercial project.

- (f) Public Hearing to hear all persons interested in a Land Disposition Agreement for the development of Site F-1 located at the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (f), which requests authorization of an Agreement for Disposition of Land for Private Development with Rincon Point Development Company, LLC, with respect to the purchase and development of Site F-1 located on the southwest corner of Delancey and Bryant Streets in Rincon Point-South Beach.

The developer proposes to construct 28 residential units, a neighborhood supporting commercial project and parking. The design for Development Guidelines require that the percentage of the parking podium that may be covered may not exceed 65 percent, whereas the proposed coverage is 92 percent. Staff anticipated the proposed variance during the developer selection process and in recognition of the difficult topographic and geological site conditions, recommends that the area coverage variance be granted. Staff also finds the overall schematic design acceptable subject to the satisfactory resolution of a number of design concerns, details of which have been provided to the Commission. The project design has been presented to the Rincon Point-South Beach Citizens Advisory Committee and various City Departments and all have indicated support for the design approach. The LDA performance schedule calls for submission of evidence of financing by November 22, 1995 and conveyance of the site by December 18, 1995.

Darby Kremers, Senior Development Specialist, reviewed the LDA terms and responded to questions from the Commissioners. She introduced John Clawson and Tom Sargent, Rincon Point Development Company.

Edmund Ong, Chief of Architecture, reviewed the issues related to the proposed variance and described staff design concerns to be addressed during the next design phase. He introduced Jim Tannner and Stephen Stacey, Project Architects.

In response to an inquiry from Mr. Rosales, Mr. Ong indicated that the variance will not change the exterior appearance of the building.

Vincent Marsh, San Francisco Landmarks Preservation Board/City Planning Department, indicated a Landmarks Sub-committee reviewed the proposal on October 19, however, it has not yet been reviewed by the full Board. He noted that the full Board is scheduled to meet on December 7 and requested action be postponed until the Board has had an opportunity to review the proposed project.

Mr. Graves indicated that these are concept drawings and the development will only be in the preliminary stages when it is

reviewed by the Landmarks Board, so there will be adequate time for its input.

In response to an inquiry from Mr. Rosales, Ms. Kremers indicated that the developer has agreed to meet the Agency's construction work force and M/WBE goals throughout construction of the development.

There being no further persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 241-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 242-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 243-94, BE ADOPTED.

President Kouba indicated that at the request of a member of the press, the Report of the Executive Director would now be heard.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners regarding the following matters:

- (a) On November 14, the Board of Supervisors voted unanimously to adopt the Yerba Buena Center Redevelopment Plan Amendment.
- (b) On November 17, there will be a hearing by the Board of Supervisors' Housing and Land Use Committee on the proposed Transbay Survey Area.
- (c) Mr. Graves reviewed a Draft Plan for mergers and schedule for new potential project areas and responded to questions from the Commissioners.

Mr. Kitahata inquired regarding the status of the Waterfront Master Plan and noted that he would like to see hotel development as a permitted use for Pier 40.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, indicated that the Waterfront Plan Advisory Board has provided a recommended Waterfront Master Plan to the Port Commission, including a separate resolution which addresses the potential of hotel development on the waterfront. The Advisory Committee provided recommended criteria for limited hotel development if the Port wished to pursue such development, however, this has been eliminated in the current Waterfront Master Plan revisions.

which the Port Commission is considering and it is important the Agency take a position on that issue. The Port Commission will hold a public hearing on the proposed plan on November 21 and it is anticipated the Commission will subsequently endorse the plan with any revisions it deems appropriate based on public comment.

Mr. Kitahata indicated he believed that the Commission should take a position supporting hotel development on Pier 40.

It was the consensus of the Commission that staff attend the November 21 public hearing and inform the Port Commission that the the Waterfront Master Plan as it relates to the South Beach Harbor will be discussed at the Agency's regular meeting scheduled for November 22 and the Agency Commission will subsequently forward its recommendations to the Port Commission.

Mr. Kitahata noted his concern regarding interim uses and employment opportunities at the Hunters Point Shipyard. He indicated that MUNI is investigating potential sites for a rail yard and he would like staff to encourage MUNI to locate the rail yard at the Shipyard.

Mr. Rosales inquired regarding the approach to be taken to the Board of Supervisors regarding the merger of the Golden Gateway Project Area and Mr. Graves indicated that when the merger issue was before the Board previously the greatest difficulty was that the merger was not tied to anything specific the Agency intended to do.

President Kouba indicated that there is a difference now from in the past because communities are requesting Agency assistance.

- (g) Public Hearing to hear all persons interested in the sale of 126 Jerrold Avenue; Morgan Heights.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Chief of Housing, introduced item (g), which requests authorization of a Deed and other Conveyance Instruments in connection with the sale of the Morgan Heights property at 126 Jerrold Avenue to Ave' Marie Moore and approve the unit disposition price of \$165,000. Under the Land Disposition Agreement (LDA) with BRIDGE Housing Corporation who constructed 63 affordable condominium units known as Morgan Heights in the Hunters Point Naval Shipyard area, the Agency has the right to repurchase any units offered for sale within the first five years of project occupancy. In June 1993, the Agency repurchased 126 Jerrold Avenue for \$130,950 and has since expended \$5,467 to renovate the unit. A qualified moderate income buyer has been identified and, based on the income level of the recommended buyer, the affordable price of the unit is \$130,000. The property will be sold with a promissory note to the Agency secured by a second Deed of Trust in the amount of \$35,000 which is the

difference between the certified fair market value of \$165,000 and the affordable price of \$130,000.

Mr. Robertson introduced Ms. Moore.

There being no persons wishing to speak in connection with matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-94 BE ADOPTED.

- (h) Mr. Graves introduced item (h), which requests authorization of an Amendment, modifying the performance schedule for the submission of Preliminary Construction Documents (PCD's), to the Land Disposition and Development Agreement with Yerba Buena Retail Partners, L.P. regarding the Central Block 2 Entertainment/Retail Site located on the easterly side of Fourth Street between Mission and Howard Streets in Yerba Buena Center. Following authorization of the LDA in July 1994, the developer has proceeded with the preparation of the preliminary construction documents which requires the concurrence of the Marriott Hotel as to the capacity of its ballroom to support the loads of the new structure. Discussions and analyses by the respective consultants regarding the load capacity has resulted in additional time being needed to conclude this process. Discussions are ongoing and the developer believes that the remaining issues will be sufficiently resolved to enable completion of the PCD's by January 11, 1995.

Helen Sause, Project Director, Yerba Buena Center, noted that the amendment does not change the conveyance date for the project.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-94 BE ADOPTED.

- (i) Mr. Graves introduced item (i), which requests authorization of a First Amendment to the Land Disposition Agreement (LDA) with Haas & Haynie Corporation for the parcel located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. In April 1994, an LDA was authorized for the development of a full-service supermarket with approximately 204 residential dwelling units above and requisite parking. Due to failure to comply with the LDA requirements the developer was subsequently placed in default and the Agency exercised its option to terminate the LDA by Notice of Termination issued on November 2, 1994. The developer has requested a modification of the terms of the LDA and an extension of the performance schedule. Staff has negotiated the terms to be incorporated into the First Amendment, details of which have been provided to the Commission. In the event the amendment is approved, the developer's default will be cured and the Notice of Termination will be rescinded. The revised performance schedule calls for submission of evidence of financing by January 10, 1995, submission of a Supermarket Tenant Agreement by February 10, 1995, and conveyance of the site by March 10, 1995, with construction starting on April 10, 1995.

Helen Sause, Project Director, Yerba Buena Center, gave an overview of the project and responded to questions from the Commissioners. She noted that staff has every reason to believe that a dispute with a previous potential developer of the site over architectural drawings has been resolved.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-94 BE ADOPTED.

REPORT OF THE PRESIDENT

President Kouba reported to the Commissioners on the following matters:

- (a) The Quarterly Report that was scheduled to be before the Board of Supervisors' Government Efficiency Committee on November 15 has been postponed to December 6.
- (b) The Transbay Survey Area will be before the Board of Supervisors' Housing and Land Use Committee on November 17.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (d) Robert Gamble, Deputy Executive Director, Finance and Project Development, noted that that Commissioners have been provided with an update on Bonds for the Children's Facilities on Central Block 3 in Yerba Buena Center. He indicated that over the past year Agency and City staff have been working to complete the bond sales necessary to finance the Children's Facilities, the Agency's share of the Mexican Museum, and improvements to the Moscone Convention Center Facilities. The Commissioners have been provided with information regarding the financial structure for the proposed transaction. It will be noted that the large increase in rates has moved the transaction from a position of generating sufficient proceeds to having a total shortfall of \$12 million. In accordance with Commission instructions, staff negotiated with the Chief Administrative Officer (CAO) regarding the sharing of any shortfall created by rising interest rates and a tentative agreement has been reached to split the reduction in net proceeds on a fifty-fifty basis. The schedule for the transaction currently calls for the mailing of the Preliminary Official Statement next week, pricing of bonds on November 29, and closing on December 20. Due to the continuing deterioration of the bond market, staff believes the transaction should be completed expeditiously. The Commissioners have been provided with information regarding approaches being considered to provide an operating subsidy for the Children's Facilities. Staff intends to analyze these approaches further as more certainty is gained with regard to the actual operating subsidy required for the facilities.

Mr. Kitahata indicated that an operating subsidy for the Children's Center is a high priority of this Commission. He noted his concern regarding staff recommendation because the proposal to split the reduction in net proceeds on a fifty-fifty basis is an

unacceptable way to deal with the shortfall. He indicated he would like the language of the Official Statement modified so that there are not specific allocations of funds for the Agency's and the CAO's capital projects. He requested this issue be calendared as an action item prior to issuance of the bonds.

Mr. Graves indicated that the current Official Statement does not cover what is being suggested by Mr. Kitahata. However, he could not recommend delaying issuance of the bonds or jeopardizing the overall financing worked out with the CAO. Staff will explore other mechanisms to assure appropriate operating support for the Children's Facilities.

Following an extensive discussion between the Commissioners and Executive staff, it was the direction of the Commission that staff investigate the possibility of modifying the language of the Official Statement as suggested by Mr. Kitahata.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Rosales requested staff respond to a request from Andy Solow for information regarding a predevelopment loan for a Walden House project at 400 Alabama Street.
- (b) Mr. Rosales indicated that when the amendments to Agency's Purchasing Policy and Procedures is before the Commission he would like the professional services category to include legal services and to encourage utilization of local based companies.
- (c) The Commissioners discussed the contents of a letter from Dorothy Lawrence of the South Bayshore Community Development Corporation regarding an incident that occurred at the November 7, 1994 Agency meeting involving Commissioner King.
- (d) Helen Sause, Project Director, Yerba Buena Center, responded to questions from Mr. Rosales regarding the San Francisco Ballet project on Market between Third and Fourth Streets in Yerba Buena Center. She noted that the question has been raised whether the expenditures can be justified for an interim use and staff will report to the Commission on developments in Closed Session on November 22.
- (e) Mr. Yee indicated he had received a fax from Commissioner Ong regarding amendments to the Agency's Purchasing Policy and inquired why it had not been sent to all Commissioners. Mr. Graves indicated that the fax was a notification sent to the community and the Commissioners had been notified separately of the hearing.
- (f) Mr. Yee expressed appreciation to staff for arranging a very informative tour of Yerba Buena Center.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
RELATED MATTERS

- (a) Eladio Ballestas noted his concerns regarding a \$360,000 grant by the Agency to Innovative Housing for Community in connection with the acquisition of 1912-1914 McAllister Street for affordable supportive housing as part of the Citywide Tax Increment Housing Program.

President Kouba indicated that staff will investigate and report back.

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment. The property is located in the block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is the GAP.

RECESS

It was moved by Mr. Yee, seconded by Mr. Rosales, and unanimously carried that the meeting be recessed to a Closed Session on Real Property Negotiations. The meeting recessed at 7:05 p.m.

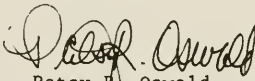
RECONVENED

At this time, 7:43 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 10, 1995

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DOCUMENTS DEPT.

JAN 18 1995

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
22ND DAY OF NOVEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of November, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Benny Y. Yee

and the following were absent:

Cynthia Choy Ong
Clarence R. Stern (Arrived 4:12 p.m.)

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: James Jefferson and Jessica Romm, The Jefferson Company; Naomi Gray, Martin Diamond, James Tabata, Wayne Corn, members of the Mayor's Fillmore/Western Addition Economic Development Task Force; Julian Richardson; Elizabeth McDonald, U.C. Berkeley; Nontsizi Cayou, Wajumbe Cultural Institute; Ray Jones, Urban Economic Development Corporation; Mikal Satchell, Golden Seal Enterprises; Agonafer Shifer, Rasselas Jazz Club; Terrell Prude, TNT Productions; Mastafa Bey; Ace Washington, CNS/WAPAC; Gloria Root, Chair, Citizens Reuse Committee for Treasure Island; Al Borvice and Ed de la Cruz, Housing Development and Neighborhood Preservation Corporation; Barbara Collins, Drew King and Bob Nelson, Catholic Charities of the Archdiocese of San Francisco, Inc.; Ivan Munoz, Mission Economic Development Association; Anne Marie Cervantes; Chris Cooper; Babatunde, Educational Foundation; Lorræ Rominger, Director, San Francisco Film and Video Commission; Melvin Simmons; E. Fay Gloria Davis; Dorothy Dozier, Prudoz Productions, Inc.; William Washington, Mother Deak's/Mr. New Orleans Creole Foods; Joel Tate; Nedir Bey; I. Vincent; Bobbie Webb, The Blues and R&B Music Foundation, Inc.; Marcia Dale DeWinter, SPUR Base Closure Task Force; and Joel Tate, Visitation Valley Task Force.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS - CONSENT AGENDA

President Kouba indicated that a request had been received to speak on Consent Agenda item (b) and it would therefore be removed from the Consent Agenda and considered as a Regular Agenda item.

THE ITEM LISTED HEREUNDER CONSTITUTES A CONSENT AGENDA, IS CONSIDERED TO BE ROUTINE BY THE AGENCY AND WAS ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing extension of Exclusive Negotiations with the Jewish Museum San Francisco for the purchase and rehabilitation of the Jessie Street Substation located on Central Block One bounded by Market, Mission, Third and Fourth Streets; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NUMBER 247-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Graves introduced item (b), which requests approval of a Sublicense with Paramount Pictures Corporation for a portion of Building No. 606 at the Hunters Point Annex; Hunters Point Shipyard Survey Area.

President Kouba indicated that the person who had requested to speak on item (b) was not present, however, the speaker did not intend to oppose the item.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-94 BE ADOPTED.

- (c) Mr. Graves introduced item (c), a workshop, the purpose of which is for a presentation on the Lower Fillmore Development Plan. In May 1994 a contract was authorized with The Jefferson Company to develop a strategic plan for the commercial revitalization of Lower Fillmore Street. Staff have worked closely with the consultant to identify the type of retail activity that could attract consumers from outside the Western Addition and stimulate a self-sustaining commercial area. The consultant suggested use of a distinct retail and entertainment theme as a promising strategy for retail development and has proposed the "Old Fillmore Jazz Preservation District" as the organizing theme. Authorization for The Jefferson Company to proceed with feasibility planning for the project will be heard under the next item on the agenda. Some of the issues the Agency must address in this project are outlined in staff memorandum.

James Jefferson, The Jefferson Company, reviewed the key components of the commercial revitalization plan and responded to questions from the Commissioners.

Minutes of a Regular Meeting, November 22, 1994

Mr. Stern arrived at this time, 4:12 p.m., during Mr. Jefferson's presentation.

Naomi Gray made a presentation on behalf of the Mayor's Fillmore/Western Addition Economic Development Task Force and introduced Martin Diamond, James Tabata, Wayne Corn and Charles Collins, Task Force members.

Julian Richardson made a presentation on the historical aspects of the Old Fillmore.

Jessica Romm, The Jefferson Company, made a presentation on the jazz component of the plan.

Elizabeth McDonald, U.C. Berkeley, made a presentation on the MUNI light rail transit study for the Geary Street corridor in relation to the project.

President Kouba announced that the presentation on the Visitacion Valley Strategic Plan had been postponed from November 22 to December 6, 1994.

The following persons spoke regarding item (c): Nontsizi Cayou, Wajumbe Cultural Institute; Ray Jones, Urban Economic Development Corporation; Mikal Satchell, Golden Seal Enterprises; Agonafer Shifer, Rasselas Jazz Club; Terrell Prude, TNT Productions; Mastafa Bey; and Ace Washington, CNS/WAPAC.

The speakers noted that there is community support for this project, which will stimulate the economy.

Mr. Jones indicated that concerns regarding security will be dispelled because of the foot traffic the project will generate.

Mr. Washington noted the importance of keeping the community informed and Ms. Gray indicated that the Task Force has open meetings and welcomes public participation.

President Kouba indicated that the project is a unifying force for the community.

- (d) Mr. Graves introduced item (d), which requests authorization of an amendment in an amount not to exceed \$79,400 to the Personal Services Contract with The Jefferson Company, as recommended by the Mayor's Fillmore/Western Addition Economic Development Task Force, to proceed with feasibility planning (Phase III of the Strategic Plan) for the commercial revitalization of Lower Fillmore Street (Geary to Turk Streets) in the Western Addition A-2. Pursuant to a Letter Agreement with the Task Force, the Agency authorized a \$50,000 contract with The Jefferson Company in May 1994 to prepare a Strategic Plan for the commercial revitalization of the lower Fillmore commercial corridor. During preparation of the revitalization plan it became

apparent that control of the commercial space in the lower Fillmore Street's "Gateway Block" (Geary to O'Farrell) was essential to any revitalization plan. To address this matter, the Agency authorized the reallocation of \$800,000 from the Western Addition revolving loan to a Lower Fillmore Street Master Leasing Program in August 1994. Funds for the proposed contract amendment will come from the unexpended balance of funds currently allocated for the Western Addition direct loan program. On October 28, 1994 the Task Force unanimously agreed to recommend the Lower Fillmore Retail Development Plan proposed by the Jefferson Company to the Agency. This plan was presented in a workshop under a previous item.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-94 BE ADOPTED.

RECESS

President Kouba announced that there would be a brief recess. The meeting recessed at 5:30 p.m. and reconvened at 5:35 p.m. with the same roll call.

- (e) Larry Florin, Manager, Base Conversion, introduced item (e), which requests authorization to propose legislation to the Board of Supervisors declaring a Survey Area for both Treasure Island and Yerba Buena Island. Treasure Island was declared part of the 1995 base closure decision. Yerba Buena Island is currently owned by the Bureau of Land Management and is not included in the closure decision, however, the Navy has requested that it be transferred to the Navy for purposes of being included in that closure decision. Although the Navy will not vacate Treasure Island until October 1997, they will begin vacating certain buildings later this year and hope to have tenants occupy as many facilities as possible to avoid the buildings falling into disrepair. Designation of a survey area will allow Agency staff to begin these discussions. In its capacity as the official Local Reuse Authority, the Agency is the recipient of funds from the Department of Defense for planning the reuse programs for both Treasure Island and the Hunters Point Shipyard and the Agency's legal advisors have expressed the necessity for declaring a survey if the Agency is to continue to expend funds in relation to Treasure Island. The Mayor's Treasure Island Citizens Reuse Committee, which is charged with developing community consensus on a Reuse Plan, voted at its November 7th meeting to endorse creation of a survey area for Treasure Island. The Agency and the City Planning Department are in the process of selecting a consultant to develop a reuse plan for Treasure Island and consultant selection is expected to be completed by the beginning of 1995. It is anticipated a Draft Reuse Plan will be completed by the first quarter of 1996.

Gloria Root, Chair, Citizens Reuse Committee (CRC) for Treasure Island, made a presentation and responded to questions from the Commissioners.

Mr. Kitahata noted that a recent newspaper article indicated that there is a possibility that the Bay Bridge toll will be raised and requested staff investigate if some of that money could be captured for transit improvements at Treasure Island.

President Kouba inquired regarding boundaries and David Madway, Agency General Counsel, indicated that the resolution being proposed to the Board of Supervisors contains a legal description of the boundaries.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-94 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in a Land Disposition Agreement for the property located at Seventh and Natoma Streets; South of Market Earthquake Recovery Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Kevin Warner, Development Specialist, introduced item (f), which requests authorization of an Agreement for Disposition of Land (LDA) for Private Development with Housing and Neighborhood Preservation Corporation (HDNPC) for the development of affordable housing at Seventh and Natoma Streets in the South of Market.

- (g) Kevin Warner, Development Specialist, introduced item (g), which requests authorization of an Amendment to and a \$440,000 increase in a predevelopment loan with Housing Development and Neighborhood Preservation Corporation in connection with the development of affordable housing at Seventh and Natoma Streets in the South of Market.

The Developer has previously received a commitment of \$1.7 million in permanent financing as well as the deferred land loan for a below market value purchase that would be executed as part of this LDA. The below market purchase price is needed in order to maximize both the low-income tax credit financing and the long-term affordability of the units. The Developer has now received a low-income tax credit reservation and in order to meet certain requirements of the tax credit program, the land must be purchased by December 1, 1994. The balance of permanent financing will come from a conventional second mortgage with, potentially, a Federal Home Loan Bank Affordable Housing Program subsidy. Now that HDNPC has successfully secured the financing commitments it needs to complete the project, it is prepared to complete the redevelopment process. The Agency previously provided \$150,853 for predevelopment activities and HDNPC is now requesting an increase in

predevelopment funding in an amount of \$440,000. This funding request has been approved by the Citywide Housing Loan Committee.

Al Borvice, HDNPC, gave a status report on the project and requested approval of items (f) and (g).

Jack Robertson, Acting Chief of Housing, responded to questions from Mr. Kitahata regarding the Agency subsidy being higher for this project than is normally funded. He noted that the project is comprised of large, multiple bedroom units, so that the number of units has been sacrificed to accommodate bigger units suitable for families.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 251-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 252-94, BE ADOPTED.

- (h) Deborah Cortez, Development Specialist, introduced item (h), which requests authorization of a Technical Services Contract for \$150,000 under the Housing Opportunities for Persons with AIDS (HOPWA) Program with the Corporation for Supportive Housing to administer a HOPWA Technical Assistance and Capacity Building Program. There were three responses to a Request for Proposals (RFP) issued to administer the program which will provide the necessary services to nonprofit organizations wishing to develop HIV/AIDS housing. After careful evaluation, staff recommended the Corporation for Supportive Housing's proposal to the HOPWA Loan Committee, which approved staff recommendation. The Commissioners have been provided with detailed information on the program elements and the scope of services covered by the contract.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-94 BE ADOPTED.

- (i) Mr. Graves introduced item (i), which requests authorization of a Housing Opportunities for Persons with AIDS (HOPWA) Supportive Services Agreement in the amount of \$370,000 with Catholic Charities of the Archdiocese of San Francisco, Inc. in connection with the HOPWA Rental Assistance Program. The two respondents to a Requests for Proposals, Catholic Charities and Lutheran Social Services of Northern California, made presentations to the Commission on November 7, 1994 as part of the Agency review process. Staff subsequently recommended to the HOPWA Loan Committee that Catholic Charities receive the

grant award and the Loan Committee approved that recommendation. Catholic Charities is proposing to provide housing assistance to eligible recipients, numbering approximately 250-350, of the HOPWA tenant-based rental subsidies being administered through the San Francisco Housing Authority. The Sponsor will reimburse collaborating providers for case management services on an as needed basis up to the amount budgeted out of the \$87,264 Agency contract. The Sponsor will assist recipients in locating housing and give them access to money management and representative payee services through its HIV Direct Services Program, which currently provides housing and financial assistance to 1,000 persons with HIV per year. If the Commission approves Catholic Charities' proposal, the Rental Assistance Program would commence in January 1995.

Chris Harris, Development Specialist, made a presentation and reviewed the differences between the two proposals that resulted in staff recommendation that Catholic Charities be selected.

Ms. Harris introduced Barbara Collins, Drew King and Bob Nelson, Catholic Charities.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-94 BE ADOPTED.

- (j) Mr. Graves introduced item (j), which requests authorization of a Second Amendment to the Personal Services Contract with Martin-Vegue Winkelstein Moris in an amount of \$210,000 for Planning Communications Services for Hunters Point Shipyard Survey Area. Subsequent to authorization of the initial contract in an amount of \$200,000, an amendment was authorized in August 1994 for an additional \$120,000. It is necessary to amend the scope of work for this contract in order for the consultant to add planning services required to complete the land use planning for the project. The proposed Second Amendment will increase the amount of the contract from \$320,000 to \$530,000. The Office of Economic Adjustment, Department of Defense, will provide the major portion of funding for this contract.

Byron Rhett, Project Coordinator, Hunters Point Shipyard, gave an overview of activities related to the planning process for the Shipyard and responded to questions from the Commissioners.

Mr. Kitahata noted the importance of a marketable plan and that the planning effort needs to be flexible and offer opportunities for private investment.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-94 BE ADOPTED.

- (k) Mr. Graves introduced item (k), which requests approval of Amendments to the Agency's Purchasing Policy and Procedures to increase the Professional Service Participation Goal for Minority Business Enterprises (MBE), to decrease the Supplier Participation Goal, to include contracts for Legal Services in the Professional Service Category and revise the definition of American Indian. The Working Group appointed by the Commission last year charged Agency staff with developing a methodology to raise the goal for minority consultants that provide professional and personal services by 1995, which has now been accomplished and its implementation is being proposed. At the request of the Commissioners, the professional services category will henceforth include contracts for legal services. It is also proposed to refine the definition of American Indian as outlined in staff memorandum.

Ben Hattem, Agency Affirmative Action Officer, reviewed the recommended revisions and responded to questions from the Commissioners.

Mr. Rosales inquired regarding a letter from Mission Economic Development Association (MEDA) requesting two revisions to the Purchasing Policy.

Mr. Hattem indicated that the letter had only just been received and staff has not had time to review the requested changes.

The following persons spoke regarding item (k): Ivan Munoz, MEDA; and Anne Marie Cervantes, Working Group member.

Mr. Munoz requested that consideration be given to increasing Professional Services to 10 percent and Suppliers to 5 percent.

Ms. Cervantes noted that given the constraints of the Croson decision, the Working Group would urge use of the goals contained in the Final Report prepared by National Economic Research Associates (NERA), which resulted from a disparity study undertaken by NERA.

Mr. Graves indicated that staff memorandum dated November 18, 1994 contains recommendations it is believed should be implemented to strengthen the Agency's Policy and staff proposes to continue to consult with the Working Group regarding future changes to the Purchasing Policy.

Mr. King expressed appreciation to members of the Working Group and staff for doing an excellent job.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-94 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Graves introduced item (a), which expresses the deepest sympathy to Commissioner Cynthia Choy Ong in the loss of her husband Robert Choy who recently passed away.

This is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, November 18, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON NOVEMBER 18, 1994.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) President Kouba reported that on November 17, the Board of Supervisors' Housing and Land Use Committee approved the designation of a Transbay Redevelopment Survey Area with an amendment to exclude the Caltrans-owned parcel at Folsom and Spear Streets used for parking Golden Gate Transit District buses. Supervisor Maher wanted that parcel excluded. However, it is anticipated that the issue will be re-considered by the full Board at its next meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) Fred McCollough, Residents and Business Services Supervisor, is recuperating from major surgery.
- (b) The Commissioners have been provided with an informational memorandum responding to a request from a member of the public at the November 15, 1994 meeting regarding the expenditures of a housing predevelopment loan made to Walden House for a project at 300 Alabama Street.
- (c) The Board of Supervisors' Budget Committee recommended approval to the full Board of the AB-1290 Plan Amendments for five redevelopment project areas.
- (d) A Public Hearing was held before the San Francisco Port Commission on November 21, 1994 to receive community comments

on the Revised Draft Waterfront Land Use Plan. The proposed plan is silent in terms of hotel development on the waterfront. At the hearing, Agency staff indicated that the Agency Commission will be considering this issue and may make comments before the December 19 hearing when the Port Commission will be meeting to endorse the Waterfront Plan.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, reviewed the revised Waterfront Land Use Plan and indicated he hoped the Commission will reach agreement on a policy with respect to hotel development on Pier 40 and forward its recommendations to the Port Commission.

Mr. Kitahata indicated that given the importance of this matter he would request staff bring a recommendation to the Commission prior to the December 19 hearing by the Port Commission on the position the Agency should take regarding hotel development on Pier 40. He also suggested that consideration be given to expanding the Rincon Point-South Beach Redevelopment Project Area to include adjacent piers for potential redevelopment activities.

Mr. Graves indicated that staff recommendation establishing a policy for the development of Pier 40 would be calendared as an agenda item for the December 6, 1994 meeting.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Rosales requested information regarding a predevelopment housing loan to Walden House for 300 Alabama Street be provided to Andrew Solow.
- (b) At Mr. King's request, the Commissioners reiterated their comments made at the November 15, 1994 meeting, from which he was absent, relative to a communication dated November 9, 1994 from Dorothy Lawrence regarding an incident that occurred at the November 7 Agency meeting.

President Kouba announced that there would a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment. Property locations and the entities the Agency may negotiate with are:

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP; and

southerly side of Market Street between Third and Fourth Streets in Yerba Buena Center with the San Francisco Ballet.

near the south end of the Embarcadero adjacent to South Beach Harbor in Rincon Point-South Beach with the Port of San Francisco.

RECESS

It was moved by Mr. Rosales, seconded by Mr. King, and unanimously carried that the meeting be recessed to a Closed Session on Real Property Negotiations. The meeting recessed at 6:58 p.m.

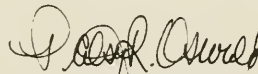
RECONVENED

At this time, 8:35 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:37 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 10, 1995

JAN 18 1995

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF DECEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of December, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong
Benny Y. Yee

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Espanola Jackson; Karen Huggins, Commissioner, San Francisco Housing Authority; George G. Saxton, Gerson/Overstreet, Architects; Paulette Spencer; Deidre Jackson, Beatrice Faronda and Joel Tate, Visitation Valley Task Force; Vincent Chao, Principal, Visitation Valley Elementary School; and Harold Yee, Asian, Inc./Chinatown Task Force.

President Kouba announced that item (1), a presentation on the Visitation Valley Neighborhood Strategic Plan, would not be heard until 5:00 p.m.

NEW BUSINESS - CONSENT AGENDA

- (a) Approval of Minutes: Regular Meetings, November 1 and 7, 1994; Closed Session, September 13 and 27, 1994.
- (b) Appointing Assistant Agency Secretaries
- (c) Reappointing Leroy King as a member and appointing Richard T. Kono as an alternate member to serve on the Governing Board of the San Francisco State Building Authority.
- (d) Authorizing a First Amendment to the Personal Services Contract with Ted P. Maniatis which increases the contract by \$30,000 for Construction Coordination Services; Yerba Buena Center.

- (e) Authorizing a Sixth Amendment to the Agreement for Professional Services which increases the amount payable thereunder by \$26,200 with Environmental Science Associates, Inc. in connection with the preparation of an initial study for the western portion of Central Block Two and prepare a Second Addendum to the subsequent Environmental Impact Report for the Yerba Buena Center Redevelopment Project Area.
- (f) Authorizing an Amendment to the Land Disposition Agreement with 1694 Sutter Street Associates in connection with the development of the parcel located at the northeast corner of Sutter and Laguna Streets; Western Addition A-2.
- (g) Authorizing a Termination Agreement with Sprincin Development Partners IX in connection with the parcels located in the block bounded by Fillmore, Fulton, McAllister and Steiner Streets; Western Addition A-2.
- (h) Authorizing an extension of the Exclusive Negotiations period of the Agreement to Negotiate Exclusively with The Gap, Inc. for the acquisition and development of Development Site C-1 located in the block bounded by the right-of-way of the recently removed Embarcadero Freeway, Steuart, Folsom and Spear Streets; Rincon Point-South Beach.
- (h-1) Authorizing reimbursement of Senior Planner Applicants' travel expenses in an amount not to exceed \$4,000.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), APPROVAL OF MINUTES, AND CONSENT AGENDA ITEMS (b) THROUGH (h-1), RESOLUTION NUMBERS. 258-94 THROUGH AND INCLUDING 265-94, BE ADOPTED.

President Kouba announced that item (j), a presentation on the Chinatown Strategic Plan, would be heard upon arrival of Task Force representatives.

NEW BUSINESS - REGULAR AGENDA

- (k) Mr. Graves introduced item (k), the purpose of which is for a presentation of the Kaiser Permanent's Institutional Master Plan in connection with the Western Addition A-1. Pursuant to requirements of Section 304.5 of the City's Planning Code, Kaiser has submitted an updated Institutional Master Plan to the City Planning Department which covers both the Geary Campus in the Western Addition A-1 and the French Campus at 6th Avenue and Geary Boulevard. The updated Institutional Master Plan sets forth future development plans for the Kaiser Permanente Medical Center in San Francisco for the next ten years. The plans for future development are designed to bring existing buildings into compliance with current Building Code standards and to meet Kaiser's critical need for additional space.

Frank Alvarez and Alice Barkley, representing Kaiser Permanente, made presentations and responded to questions from the Commissioners.

President Kouba inquired regarding office space Kaiser will be leasing in Opera Plaza and Ms. Barkley indicated that the Commissioners will be provided with supplemental information.

- (l) Mr. Graves introduced item (l), which requests authorization of the execution of Leases for 1534 and 1540 Fillmore Street with Thomas and Zorina Caylor in connection with the Lower Fillmore Commercial Revitalization Project; Western Addition A-1. It is recommended this item be continued for one week.
- (m) Mr. Graves introduced item (m), which requests authorization of the execution of leases for 1539, 1545 and 1561 Fillmore Streets and 1807 Geary Boulevard with Bert and Regina Kortz in connection with the Lower Fillmore Commercial Revitalization Project; Western Addition A-1. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEMS (l) AND (m) WOULD BE CONTINUED TO THE MEETING OF DECEMBER 13, 1994 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Espanola Jackson, on behalf the Bayview Hunters Point Community, extended congratulations to Mr. King on being approved by the Rules Committee of the Board of Supervisors for re-appointment to the Redevelopment Agency Commission and expressed appreciation for his support of the community in the past.

President Kouba added congratulations on behalf of the Commission and noted that it is anticipated that Mr. King's re-appointment will be confirmed by the full Board on December 12.

NEW BUSINESS (Continued)

- (n) Mr. Graves introduced item (n), which requests approval to establish a policy for the development of Pier 40 to include a broad range of land uses and to recommend to the Port Commission modifications to the proposed Waterfront Master Plan related to the development of Pier 40 in Rincon Point-South Beach. It is proposed that the Commission establish a policy for the land use development of Pier 40 which complements the new South Beach residential neighborhood and South Beach Harbor and which provides for the mixed use development of Pier 40, including marina related uses serving the harbor and non-maritime uses such as office, hotel/boatel, restaurants/cafes, recreation and entertainment establishments

and parking. The development of Pier 40 is an integral part of the program to finance South Beach Harbor and the proposed uses could provide revenue to the Agency to defray the debt service on loans and bonds issued for the construction of the harbor. Staff also proposes that the Commission recommend to the Port Commission that the Waterfront Master Plan permit hotel use on Pier 40 and that the EIR include limited hotel development on waterfront piers, including Pier 40. It is suggested that Agency Commission representation would be appropriate at the December 19th Port Commission meeting scheduled for action to endorse the proposed Waterfront Master Plan to advocate the Agency's position on Pier 40. It should be noted that an amendment to the Rincon Point-South Redevelopment Plan would be required to permit hotel/boatel use and permitting a hotel use on Pier 40, as a prerequisite to a Plan Amendment, would require a voter ballot initiative be approved which would modify the current prohibition of waterfront hotels established by Proposition H. The Rincon Point-South Beach Citizens Advisory Committee continues to support a broad range of non-water dependent uses, including hotels for piers in the South Beach area, particularly Pier 40.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, added to the presentation and responded to questions from the Commissioners. He indicated that it is important for the Port Commission to understand that if the Agency Commission adopts the policy recommended by staff that voter approval of a change to Proposition H, which banned hotel development on the waterfront, will be pursued since the Redevelopment Plan cannot be amended without such approval. He noted that staff intends to undertake design and economic studies of Pier 40 to analyze alternative uses, design and revenue projections leading to the preparation of a development program for the Pier.

Mr. King indicated that he is opposed to hotels on the waterfront and that it not appropriate for the Agency to initiate a change to Proposition H. He indicated that the Agency should be concentrating its efforts on new survey areas, rather than pursuing this issue.

The other Commissioners noted their support of staff recommendation because it is important to look at all options for Pier 40. In addition, it has the unanimous support of the Rincon Point-South Beach Citizens Advisory Committee.

Following additional discussion between the Commissioners and Mr. Kaplan, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. ROSALES, THAT RESOLUTION NO. 266-94 BE ADOPTED, AND UPON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Kitahata
Mr. Kouba
Mr. Rosales

Mr. Stern

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (o) Mr. Graves introduced item (o), authorizing and directing the Executive Director to seek a Resolution of Intent from the Board of Supervisors establishing the Children's Facilities on Central Block 3 in Yerba Buena Center as the top priority for the Agency's Hotel Tax and Lease Revenue Bonds. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT KOUBA INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (o), RESOLUTION NO. 267-94, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Gail Goldman, Enterprise Zone Coordinator, introduced item (i), the purpose of which is for a presentation on the Visitacion Valley Neighborhood Strategic Plan from San Francisco's Enterprise Community Application.
- (j) Gail Goldman, Enterprise Zone Coordinator, introduced item (j), the purpose of which is for a presentation on the Chinatown Neighborhood Strategic Plan from San Francisco's Enterprise Community Application.

In June 1994, on behalf of the City, the Agency submitted two applications covering six neighborhoods requesting that San Francisco be designated as a Federal Enterprise Community. The primary thrust of the applications is a community based Strategic Plan for each of the neighborhoods based on an intensive neighborhood planning process. Each neighborhood will present a summary of its plan to the Commission. The lead agency for the Visitacion Valley strategic planning process is the Mayor's Task Force for Visitacion Valley. The lead agency for Chinatown is Asian, Inc. The Commissioners have been provided with copies of the Strategic Plans which present strategies and specific actions for addressing identified needs.

Deidre Jackson, representing Gwen Henry of the Mayor's Visitacion Valley Task Force; Beatrice Faronda and Joel Tate, Task Force members, and Vincent Chao, Principal, Visitacion Valley Elementary School, made presentations on the Visitacion Valley Neighborhood Strategic Plan and responded to questions from the Commissioners.

The Task Force members requested Agency technical assistance in economic development planning.

Mr. Graves indicated that, as with other presentations on neighborhood strategic plans, staff will consider the requests and report back to the Commission.

Mr. Rosales inquired regarding incorporating Visitacion Valley into the South Bayshore Survey Area and Mr. Graves indicated that staff will review the options and report back.

Mr. Tate indicated that the Task Force would like Visitacion Valley recognized as Visitacion Valley.

President Kouba indicated that Mr. Graves will report back on options that can be pursued and consider whether Visitacion Valley can be part of a larger plan.

In response to an inquiry from Mr. Kitahata regarding the status of the application, Ms. Goldman indicated that it is anticipated that the U.S. Department of Housing and Urban Development (HUD) will announce which applications are successful in late December or early January. However, implementation has started on key components of the strategic plans regardless of whether funding is received.

Commissioners Rosales and Stern noted the need to revitalize McLaren Park which is under-utilized and Mr. Tate indicated that Friends of McLaren Park are working on this issue.

Harold Yee, Asian, Inc. made a presentation on the Chinatown Neighborhood Strategic Plan and responded to questions from the Commissioners.

President Kouba inquired regarding the status \$2 million in economic developments funds allocated to Chinatown.

Mr. Graves indicated that a substantial amount remains unexpended because it has been allocated to projects that are not in place yet, however, Mr. Yee would like a re-allocation of funds that can be used for promotional purposes.

REPORT OF THE PRESIDENT

- (a) On December 5, the Board of Supervisors passed, on first reading, amendments to five Redevelopment Plans which are necessary in order to comply with the 1993 Community Redevelopment Law Reform Act (AB-1290).
- (b) On December 6, the Government Efficiency and Labor Committee of the Board of Supervisors held a hearing on the Agency's quarterly report and changes to the report were requested by the Budget Analyst.

- (c) A successful bond sale was undertaken to provide revenue for construction of the Children's Facilities and improvements at the Moscone Convention Center in Yerba Buena Center.

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment. Property locations and the entities the Agency may negotiate with are:

CB-3 (roof of Moscone Convention Center) in Yerba Buena Center with the Chief Administrative Officer of the City and County of San Francisco; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group.

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel with respect to the position of the Executive Director.

RECESS

It was moved by Mr. Rosales, seconded by Mr. King, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations and Personnel. The meeting recessed at 5:35 p.m.

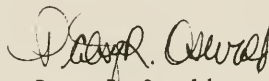
RECONVENED

At this time, 6:50 p.m., the meeting reconvened back to the regular session and Jennifer Bell, Acting Agency General Counsel, announced that no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. Rosales, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:52 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 10, 1995

JAN 18 1995

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF DECEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of December, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Clarence R. Stern

and the following were absent:

Gary Kitahata (Arrived at 4:20 p.m.)
Cynthia Choy Ong
Benny Y. Yee

The President declared that a quorum was present.

Clifford W. Graves, Executive Director, and staff members were also present.

Also present were: Don Moitoza, Acting Chief of Housing, SFRA; John Buss, Hampshire Properties, Inc.; Mark Hornberger and Worstell; Jim West, South of Market Neighborhood Association; Maxwell Myers, D.B. Myers Judy Lockwood and Cass Myers, Hunt/Natoma Group; Michael Dunev; Arthur Jacobus, Helgi Thompson, Dr. Denis de Coteau, Ikolo Griffin; Kimberley Okamura and Robert Muh, San Francisco Ballet; Cathy Simon, John Long and Dan Cheetham, Simon, Martin-Vegue, Winkelstein & Moris; Glen Auerbach; Paula Collins, Yerba Buena Retail Partners; Michael Willis, Michael Willis Associates; Charles "Rick" Moore, Swinerton and Walberg; Sue Hestor, Friends of the Gardens; Michaela Cassidy; Lee Gotshall-Maxon, Lillick and Charles, representing Maritime Plaza; Eula Walters, member, Golden Gateway Tennis and Swim Club; John Elberling; Chris Geiger, Walden House; Michael Simmons, San Francisco Housing Development Corporation; Emile Battezzato, Grand Southern Hotel; Noni Richen; Kevin Hardiman, Pacific Bell; Gary Demo; Timothy Noel; Algin Elliott; and Marion Wallace.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS - CONSENT AGENDA

- (a) Approving the appointment of Kofi S. Bonner as Deputy Executive Director, Program and Project Management.

- (b) Commending and expressing appreciation to Donald P. Moitoza for his services upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco.
- (c) Authorizing a \$114,000 Third Amendment to the Architectural Agreement with LDA for the provision of public artwork, talking signs for the visually impaired, seismic code revisions and other changes in the Children's Center, Central Block 3; Yerba Buena Center.
- (d) Authorizing a \$155,000 Second Amendment to the Landscape Architectural Agreement with M. Paul Friedberg and Partners for the provision of public artwork, talking signs for the visually impaired, site modifications for the newly acquired carousel and other changes in the Children's Center, Central Block 3; Yerba Buena Center.

Mr. Graves indicated that with regard to Consent Agenda Item (b), he would like to acknowledge the outstanding achievements and dedicated service of Donald Moitoza who is retiring from the Agency after almost thirty years.

President Kouba, on behalf of the Commission, expressed appreciation to Mr. Moitoza for his outstanding service to the Agency and wished him well in his future endeavors.

Mr. Moitoza indicated that his tenure at the Agency has been a rewarding experience. He thanked the Commissioners and Mr. Graves for the commendation and indicated that it has been a pleasure to work with such a dedicated staff.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NO. 268-94 THROUGH AND INCLUSION RESOLUTION NO. 271-94, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Graves introduced item (e), a workshop, the purpose of which is for a presentation of the Basic Concept Design for the Forte Hotel project by Hampshire Properties, Inc. on East Block 2C located at the northeast corner of Third and Howard Streets in Yerba Buena Center. During this initial phase the architect has developed the basic conceptual design to meet the programmatic requirements presented as part of their response to the Request for Proposals. The proposed development includes a total of 340 hotel units, a restaurant, a parking structure for 96 cars and appropriate meeting room and general public spaces. The Commissioners have been apprised of staff concerns relating to the podium and tower elements, which will be further reviewed with the architect. Commission approval of the Basic Concept Design will be calendared for a future meeting.

Helen Sause, Project Director, Yerba Buena Center, made a presentation and noted that the concerns of the Hunt/Natoma Group are not yet completely resolved, despite extensive efforts by the developer and architect to address this issue satisfactorily.

John Buss, Hampshire Properties, gave an overview of the project and responded to questions from the Commissioners. He noted that five alternative design solutions have been explored, at the expense of the developer, in efforts to address the concerns of the Hunt/Natoma Group.

Mark Hornberger, Hornberger and Worstell, the developer's architect, made a design presentation and responded to questions from the Commissioners.

Mr. Kitahata arrived at 4:20 p.m. during Mr. Hornberger's presentation.

The following persons spoke regarding item (e): Jim West, South of Market Neighborhood Association; Maxwell Myers and Cass Smith, Hunt/Natoma Group Lane; and Michael Dunev.

The speakers noted concerns regarding: the proposed elevated location for parking; the scale and height of the building; and provision of access through the property from Third Street.

Mr. Kitahata inquired whether it would be technically possible to have access from Third Street.

Ms. Sause indicated that this has been discussed with City Planning staff who strongly urge access off Howard Street.

Mr. Buss indicated that five alternatives had been analyzed in an effort to respond to the Hunt Lane/Natoma Group and noted his regret that a satisfactory solution could not be found. He enumerated the alternatives, the costs that would be involved, and why the alternatives were unacceptable. He indicated that the proposed plan of a covered arcade that would provide access to hotel parking and pedestrian use for non-hotel guests to and from Hunt/Natoma Streets is believed to be a reasonable compromise. The additional cost to the developer to upgrade the arcade is estimated at \$300,000. With respect to scale and height, the building has been designed to protect the views of the San Francisco Museum of Modern Art (SFMA) and minimize shadowing of Yerba Buena Gardens. Above ground parking has been proposed because it obviates the need to excavate soil which contains contaminants and creates a program element to complement the podium of the SFMA.

Mr. Rosales indicated that he would like to have additional information on the Hunt/Natoma issue.

Mr. Stern noted that historically Hunt and Natoma Streets had not been connected before the existence of a cul-de-sac created by the recent construction of the SFMMA.

President Kouba indicated that staff will consider the comments made and make written recommendations prior to requesting approval of the Basic Concept Design.

RECESS

President Kouba announced that there would be a recess. The meeting recessed at 5:10 p.m. and reconvened at 5:25 p.m. with the same roll call.

- (f) Mr. Graves introduced item (f), a workshop, to present the Basic Concept Design for the San Francisco Ballet Association and Yerba Buena Retail Partners, L.P., for the Interim Use Facility on Central Block 1 office site located on the southerly side of Market Street between Third and Fourth Streets in Yerba Buena Center. The proposed temporary structure is to accommodate an interim performance facility for the Ballet and associated retail space in conjunction with the Central Block 2 Entertainment/Retail development. This interim building is a 2200 seat auditorium and other theatrical facilities with some ground level commercial space. Commission approval of the designs and lease agreements will be calendared for a future meeting.

Helen Sause, Project Director, Yerba Buena Center, made a presentation and responded to questions from the Commissioners.

Presentations were made on behalf of the San Francisco Ballet for the interim use by: Arthur Jacobus, President; Helgi Thompson; Dr. Denis de Coteau, Musical Director; Ikolo Griffin and Kimberley Okamura, Dancers; and Glen Auerbach, Theater Consultant.

Cathy Simon, Simon, Martin-Vegue, Winkelstein & Moris, architects for the Ballet, made a design presentation and responded to questions from the Commissioners. She introduced her associates, John Long and Dan Cheetham.

Paula Collins, Yerba Buena Retail Partners, made a presentation on the retail component.

Michael Willis, Michael Willis Associates, Architects for the Interim Retail Use, made a design presentation and responded to questions from the Commissioners.

The following persons spoke regarding item (f): Robert Muh, Trustee of the Ballet; Charles "Rick" Moore, Swinerton and Walberg; Sue Hestor, Friends of the Gardens; and Michaela Cassidy.

Mr. Moore noted his support for the project and gave an overview of the Ballet's affirmative action program.

Ms. Cassidy noted her support of the project and spoke regarding the financial aspects.

Ms. Hestor indicated that she has no objection to the location and design of the project, but noted her concern that the use be temporary and the full value of the site for an office building be realized. She was concerned money not be used that the Agency is counting on to fund development of the Children's Uses on Central Block 3. She requested drafts of financial agreements as they are developed.

Mr. Rosales indicated that it is the intention of the Commission to finance the Children's Facilities and ultimately develop the CB-1 site for an office building. He requested that when the project is ready to move forward and bids are issued that the community be notified so they have an opportunity to participate.

Mr. Kitahata indicated that the Commissioners are well aware of the financial needs of the Children's Facilities and he would like further discussion regarding the time frame of the interim use in Closed Session.

In response to an inquiry from President Kouba, Mr. Graves indicated that it is anticipated that the Commission will be requested to approve the Basic Concept Design at an early meeting in January 1995.

- (g) Public Hearing to hear all persons interested in the Implementation Plan for the Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area.

President Kouba opened the Public Hearing to hear all persons interested in this matter.

Mr. Graves introduced item (g) which requests authorization to adopt the Implementation Plan for the Embarcadero-Lower Market (Golden Gaeway) Redevelopment Project Area. Article 16.5 of the State Community Redevelopment Law mandates the adoption, after a public hearing of an implementation plan for each redevelopment project area. The Implementation Plan for the Embarcadero-Lower Market Redevelopment Project Area, dated November 11, 1994, identifies the possible expansion of the project area to include the sites formerly occupied for freeway ramps at Washington and Clay Streets and the Embarcadero Roadway from Broadway to Howard Street. The City's August 1994 report, Mid-Embarcadero Open Space Project, includes two scenarios for carrying out its recommendations, including a "Redevelopment Scenario" whereby the project area would be expanded to include the sites formerly used for freeway ramps and the Embarcadero Roadway from Broadway to Howard Street. If a detailed feasibility analysis finds the expansion

feasible, then the following actions would be required: revision by amendment of the official Redevelopment Plan; disposition of the designated sites for appropriate development; and improvements to the Embarcadero Roadway.

Tom Conrad, Chief, Planning and Programming, made a presentation and responded to questions from the Commissioners.

The following persons spoke regarding item (g): Lee Gotshall-Maxon, Lillick and Charles, representing Maritime Plaza; Eula Walters; and John Elberling.

Mr. Gotshall-Maxon noted that it is important that any development is consistent with the surrounding area. There are view corridors currently in place and there would be concern with any development over 40 feet in height and adjacent property owners are not in favor of the type of density being discussed. In addition, there needs to be a maintenance program for any plaza areas being proposed.

Ms. Walters indicated she would be opposed to any buildings in Ferry Park, Blocks 202 and 203.

Mr. Elberling noted his support of the Implementation Plan for the Golden Gateway because it is crucial to merging all projects.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-94 BE ADOPTED.

- (h) Mr. Graves introduced item (h), which requests authorization of negotiation and execution of leases for 1534 and 1540 Fillmore Street with Thomas Caylor and Zorina Caylor in connection with the Lower Fillmore Commercial Revitalization Program in the Western Addition A-2.
- (i) Mr. Graves introduced item (i), which requests authorization of negotiation and execution of leases for 1539, 1549 and 1561 Fillmore Street and 1807 Geary Boulevard with Bert and Regina Kortz in connection with the Lower Fillmore Commercial Revitalization Program in the Western Addition A-2.

The purpose of the Agency leasing the spaces from the property owners is to gain site control necessary to implement the Lower Fillmore Commercial Revitalization Project. The leases are for an initial period of two years with three one-year options and the properties contain space for as many as six retail businesses. The approximate total cost for the leases for the two year period is \$371,190.76. During the initial period, staff will be working with Jefferson Company to identify retail

tenants who will become permanent tenants for the spaces. The leases will be funded through the reallocation of the \$800,000 tax increment from the Western Addition A-2 Small Business Loan Fund authorized by the Commission on August 16, 1994 to establish a Master Leasing Program for Lower Fillmore Street.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 273-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION NO. 274-94, BE ADOPTED.

- (j) Mr. Graves introduced item (j), which requests authorization of a Loan Agreement with Walden House, Inc. in the amount of \$745,900 for the acquisition and rehabilitation of 154 Coleridge Street under the Housing Opportunities for Persons with AIDS (HOPWA) Program.
- (k) Mr. Graves introduced item (k), which requests authorization of a Predevelopment Loan with Walden House in an amount of \$25,000 for costs associated with the acquisition of 154 Coleridge.

The HOPWA Loan Committee has approved the \$745,900 funding request which represents the transfer of funds from the failed acquisition of a site previously approved by the Commission at 102 Guerrero Street to this more cost effective site at 154 Coleridge. The \$25,000 predevelopment loan would be repaid by the HOPWA Program upon close of escrow, which is expected to occur by January 31, 1995. The loan would be due upon the earlier of the close of escrow, or April 5, 1995.

In response to an inquiry from Mr. Rosales, Michele Davis, Development Specialist, noted that Walden House has indicated there has been community review of the project.

Ms. Davis introduced Chris Geiger, Walden House.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (j), RESOLUTION NO. 275-94, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROSALES, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 276-94, BE ADOPTED.

- (l) Mr. Graves introduced item (l), which requests authorization of a \$75,000 Grant to Community Housing Partnership for predevelopment expenses associated with the acquisition and rehabilitation of an 87-unit residential hotel for affordable supportive housing located at 835 O'Farrell Street as part of the Citywide Tax Increment Housing Program. The requested funding for the project, which will primarily serve homeless single adults and small families with special needs, has been

approved by the Citywide Affordable Housing Loan Committee. Occupancy is scheduled for completion by the end of April 1996.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-94 BE ADOPTED.

- (m) Mr. Graves introduced item (m), which requests authorization of Exclusive Negotiations, until April 13, 1995, with the San Francisco Housing Development Corporation (SFHDC) for Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. The developer proposes to construct 10 affordable townhouses affordable to households with incomes ranging between 80 to 100 percent of the area median income levels. The Agency is providing \$700,000 in second mortgage subsidy assistance to reduce the price of these units to prospective low and moderate income buyers. The subsidy being provided represents the affordable housing contribution made by the developers of the Post International condominium project, which funds were set aside for the development of affordable housing in the Western Addition. The Agency will hold 50 year affordability restrictions on the units for the value difference between the affordable price and the appraised fair market value. The project has been presented to local neighborhood groups and residents within the immediate vicinity of the project and the community response has been generally receptive.

Shirley Wysinger, Project Coordinator, Western Addition A-2, made a brief presentation and introduced Michael Simmons, SFHDC.

Mr. Simmons gave an overview of the project and responded to questions to the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-94 BE ADOPTED.

- (n) Mr. Graves introduced item (n), which requests conditional authorization of a Grant and Regulatory Agreement in an amount of \$2.2 million with GP/TODCO for costs associated with the acquisition and rehabilitation of 1095 Mission Street in the South of Market. The developer proposes to acquire and rehabilitate the Grand Southern Hotel located at Seventh and Mission Streets, which is a 96-unit, unreinforced masonry, single room occupancy (SRO), market rate residential building with ground floor commercial space. It is proposed to relocate all the current residential tenants and re-lease the building with approximately 80 SRO units for very low-income tenants. The funding request has been approved by the Citywide Affordable Housing Loan Committee upon condition that the developer seek an economically feasible interim use of the residential portion of the building during the period between the relocation of current tenants and the start of actual construction. Proposed financing of this project leverages

Agency and City subsidies with a Federal Emergency Management Agency (FEMA) grant and private capital invested through the Low-Income Housing Tax Credit program. This project would be the first Unreinforced Masonry Building (UMB) rehabilitation to be undertaken by a non-profit developer in the South of Market area. GP/TODCO, as well as community leaders, hope to begin a pipeline of residential UMB rehabilitation projects with the Grand Southern. At this time, it is anticipated the building will be ready for occupancy by new tenants during the first quarter of 1997. However, the schedule could change depending upon the structural analysis and the outcome of tax credit and UMB Bond Program applications. Conditional approval is being requested because the purchase agreement is subject to cancellation by the seller if the closing date is postponed later than January 7, 1995 and acceptance of this conditional approval has been acknowledged by GP/TODCO in writing.

Emile Battezzato, co-owner, Grand Southern Hotel, requested approval of item (m).

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-94 BE ADOPTED.

(o) ELECTION OF OFFICERS

The Agency's By-laws indicate that there shall be an election of officer (President and Vice President) at the last regular or special meeting in December. However, in the event such officers are not elected in December, their election shall be held at any meeting of the Agency, regular or special, held during the following months of January or February. Until such election is held, an interim President and Vice President may be elected to hold office until the regular election in January or February. President Kouba has called for the election to be held at this meeting.

ADOPTION: IT WAS MOVED BY MR KING, SECONDED BY MR. STERN, AND CARRIED BY ACCLAMATION, THAT MR. KOUBA BE ELECTED PRESIDENT.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND CARRIED BY ACCLAMATION, THAT MR. ROSALES BE ELECTED VICE PRESIDENT.

REPORT OF THE PRESIDENT

President Kouba reported to the Commissioners regarding the following matters:

- (a) An Economic Development Coordination Group comprised of officials from various City agencies has been meeting for over a year and exchanging information. Mayor Jordan has requested that the economic development staff at the Redevelopment Agency, in conjunction with City Planning, lead an interagency effort to develop a strategic economic plan for the City and a reporting system to assess the City's Economic Health on a quarterly basis.
- (b) The bond proceeds for the Children's Place in Yerba Buena Center and new survey areas were discussed at the regular monthly meeting with the Mayor on December 13.

Mr. Rosales noted that all the meetings with the Mayor have been very positive.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Clifford Graves reported to the Commissioners on the following matters:

- (a) On December 15, the Housing and Land Use Committee of the Board of Supervisors will consider a resolution that would designate a survey in the South Bayshore.
- (b) On December 15, the Select Committee on Base Closures will consider a resolution that would designate Treasure Island/Yerba Buena Island a survey area.
- (c) On December 15, the Select Committee on Base Closures will also consider a resolution authorizing the Mayor to petition the U.S. Secretary of Defense to apply the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 to the reuse of Treasure Island.
- (d) A letter has been sent to the Port Commission recommending modifications to the proposed Waterfront Master Plan to permit hotel use on Pier 40, subject to voter approval, and to include in the Waterfront Environmental Impact Report (EIR) consideration of limited hotel development on waterfront piers including Pier 40.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata inquired if official action should be taken regarding a proposal by the Office of Management and Budget (OMB) to terminate the Housing Opportunities for Persons with AIDS (HOPWA) Program.

Mr. Graves indicated that he believed it would be appropriate for a letter to be sent by the Commission President expressing concern.

- (b) Mr. Kitahata indicated that at a South Bayshore Development Corporation meeting, Alex Pitcher spoke in favor of a power plant for the South Bayshore, which would generate tax increment. He requested staff investigate options in relation to Hunters Point and the South Bayshore.

Mr. Graves indicated that staff will investigate and report back.

- (c) Mr. Rosales inquired regarding a memorandum from Mayor Jordan regarding a revised budget process and Robert Gamble, Deputy Executive Director, Finance, indicated that every effort will be made to comply with the new format.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Eula Walters, member, Golden Gateway Tennis and Swim Club, located at 370 Drumm Street, noted her concerns regarding a proposal by the Club to add a second swimming pool and requested Agency intervention. She read a communication from Marion Wallace opposing a second swimming pool.

David Madway, Agency General Counsel, indicated that the proposal for a second swimming pool is in conformity with the Golden Gateway Redevelopment Plan and the Club has a contractual right to build it.

President Kouba indicated that as long as the swimming pool is in conformity with the Redevelopment Plan he did not believe there is anything the Agency can do, however, staff will investigate and report back.

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and the entities the Agency may negotiate with are:

Central Block 3 (roof of the Moscone Convention Center) in Yerba Buena Center with the Chief Administrative Officer; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

block bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with the GAP.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, December 9, 1994. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of at least five Commissioners is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON DECEMBER 9, 1994.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator with respect to price and terms of payment for the property located at 1860 Turk Street in the Western Addition A-2 with Nolan Frank.

RECESS

It was moved by Mr. Stern, seconded by Mr. Rosales, and unanimously carried that the meeting be recessed to Closed Sessions on Real Property Negotiations. The meeting recessed at 7:30 p.m.

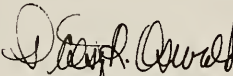
RECONVENED

At this time, 8:23 p.m., the meeting reconvened back to the regular session and David Madway, Agency General Counsel, announced that no actions were taken by the Commission: or no actions were taken by the Commission.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 10, 1995

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF DECEMBER, 1994

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 11:00 o'clock a.m. on the 20th day of December, 1994, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Jon Henry Kouba, President
Manuel A. Rosales, Vice President
Leroy King
Gary Kitahata
Clarence R. Stern

and the following were absent:

Cynthia Choy Ong
Benny Y. Yee

The President declared that a quorum was present.

David Madway, Agency General Counsel, and staff members were also present.

Also present was: Mike Heinrich, Bauman Landscape, Inc.

RECESS

President Kouba announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator on price and terms of payment. The property is located near the south end of the Embarcadero adjacent to the South Beach Harbor in Rincon Point-South Beach.

The meeting recessed at 11:05 a.m. and reconvened at 11:20 a.m. with the same call, with the addition of Mr. Kitahata.

David Madway, Agency General Counsel announced that no actions were taken by the Commission.

Clifford Graves, Executive Director, joined the meeting after the Closed Session.

NEW BUSINESS

- (a) Mr. Graves introduced item (a), which requests approval of a settlement agreement with the Port of San Francisco related to a dispute over leases for Pier 40 in Rincon Point-South Beach. A compromise settlement has been negotiated which provides for:

the Agency to pay \$827,544 in additional rent to the Port over four fiscal years, plus interest; amendments to the option and lease agreements for Pier 40 to omit provisions related to the Agency's obligation to perform improvements to a ship building facility; a mutual release of certain claims between the Port and the Agency; and the Port's consent to the Agency's commencement of the construction of South Beach Park. This settlement should put to rest a dispute which arose from efforts to interpret a complex 1984 Option Agreement that could not have been drafted to contemplate the changing circumstances in which it would be implemented. The Settlement will allow the Agency and the Port to continue their mutually beneficial working relationship and permit the long awaited construction of South Beach Park.

In response to an inquiry from President Kouba regarding a restaurant on Pier 40, Michael Kaplan, Project Coordinator, Rincon Point-South Beach, indicated that Cafe Roastery will start construction next month with completion expected in approximately four months.

President Kouba inquired if the restaurant will generate revenue for the Agency and Mr. Kaplan indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROSALES, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-94 BE ADOPTED.

- (a) Mr. Graves introduced item (ii), which requests authorization to award Contract IID South Beach, Park Phase I, to Bauman Landscaping, Inc. for the construction of improvements near the end of the Embarcadero adjacent to South Beach Harbor in an amount not to exceed \$2,623,926.50. The development of South Beach Park has long been a part of the Rincon Point-South Beach Redevelopment Plan and will enhance this newly developed area, which includes the South Beach Harbor. The major source of funding is from the Community Facilities District No. 1 in an amount of \$1,784,000, which includes a \$324,000 contribution from the Agency. Funds will also be provided by the Rincon Point-South Beach Project, the State Department of Parks and the Public Utilities Commission. The contract was extensively advertised and four bids submitted ranged from a high of \$3,745,211 to a low of \$2,623,926. Bauman Landscaping, based in Richmond, California, has successfully completed projects for the City of San Francisco and Caltrans. Following review of the firm's qualifications and reference checks, staff considers them capable of satisfactorily completing this work. In addition, staff finds the contractor's affirmative action and safety programs satisfactory.

Michael Kaplan, Project Coordinator, Rincon Point-South Beach, described the design concept and responded to questions from the Commissioners.

Michael Heinrich, Bauman Landscaping, Inc. responded to questions from Mr. King regarding the affirmative action program for the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED, BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-94 BE ADOPTED.

REPORT OF THE PRESIDENT

- (a) At President Kouba's request, Mr. Kitahata reported on discussions held with Rudy Nothenberg, Chief Administrative Officer (CAO) regarding a bond issue, which is scheduled to close on December 21, to provide funding for the Children's Center in Yerba Buena Center, the Mexican Museum and improvements to the Moscone Convention Center facilities. He noted his concern that the bond issue splits the reduction in net proceeds, which resulted from a major increase in interest rates, on a fifty-fifty basis. He noted his opposition to this allocation of funds which will leave a shortfall of \$4.5 million in capital for the Children's Center which is a high priority of this Commission. He indicated he would like the sale to proceed without the specific allocation of funds agreed upon and that the transaction could close with or without the approval of the CAO.

Robert Gamble, Deputy Executive Director, Finance, indicated that before the sale can close, an insurance certificate must be signed by the CAO. He noted his concern that if the sale does not proceed in accordance with agreement reached with the CAO on splitting the proceeds that the CAO will request the Mayor not to sign the Lease Agreement and the Controller not to sign various other certificates necessary for the sale to proceed.

Mr. Graves indicated that if the agreement reached with the CAO is not honored there will be a negative impact and, given the time frame, there are other financing mechanisms that can be explored to assure an operating subsidy for the Children's Center.

An extensive discussion ensued between the Commissioners, Mr. Graves and Mr. Gamble, following which Mr. Graves indicated that it is his understanding that if the Commission takes no action with regard to allocation of the proceeds then the agreement with the CAO will be implemented. If the Commission does not agree to the allocation, then there is a need to advise the CAO.

Mr. Graves left the meeting at this time, 12:05 p.m.

Mr. Graves returned to the meeting at this time 12:10 p.m. and indicated that he had received a telephone call from the CAO indicating he has instructed bond counsel not to proceed with the sale until further notice.

- (b) President Kouba reported that he had attended the Annual Meeting of Commission Presidents at which the revised budget format was discussed. The process will now be based on program budgeting rather than line item budgeting.

He noted that the 50th Anniversary of the United Nations, which San Francisco will host in 1995, was also discussed and requested staff to investigate if there is a role for the Agency.

- (c) President Kouba indicated that the Mayor is in favor of an Exposition on Treasure Island in 1999 and he would like this matter referred Larry Florin, Manager, Base Closure.

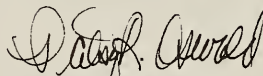
- (a) (Continued)

Following further discussion between the Commissioners regarding the bond issue, it was the direction of the Commission Commissioners that staff be authorized to check with bond counsel to see if the transaction can close without making a commitment on the allocation of proceeds and further negotiate with the Mayor's Office and the CAO. If the responses are negative then staff is authorized to proceed with the bond closing on schedule.

ADJOURNMENT

It was moved by Mr. Stern, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 12:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

January 10, 1995

